MedPlus Health Services Limited

September 02, 2024

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

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

Dear Sir/Madam,

Subject: Filing of 18th Annual Report of the Company for the Financial Year 2023-24 along with Notice to the Shareholders for Annual General Meeting

We would like to inform that 18th Annual General Meeting of the Company is scheduled to be held on Thursday, September 26, 2024 at 3:30 P.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) as per the circular issued by MCA from time to time.

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions if any, we enclose herewith 18th Annual Report of the Company for the Financial Year 2023-24 which includes Notice of AGM, Board Report, Report on Corporate Governance, Business Responsibility and Sustainability Report, Management Discussion and Analysis and Audited Financial Statements along with Consolidated Financial Statements and Auditor's Report thereon.

The dispatch of the Notice along with 18th Annual Report has been completed on Monday, September 2, 2024.

The Annual Report is also available on the Company's website i.e. www.medplusindia.com .

You are requested to take the same on record and disseminate the same on the website.

Thanking You
Yours faithfully

For MedPlus Health Services Limited

MANOJ KUMAR SRIVASTAVA

Digitally signed by MANOJ KUMAR SRIVASTAVA
Date: 2024.09.02 21:40:24 +05'30'

Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS 7460

Enclosed: a/a

ANNUAL REPORT 2023-24

Quality

Convenience

Value Pricing

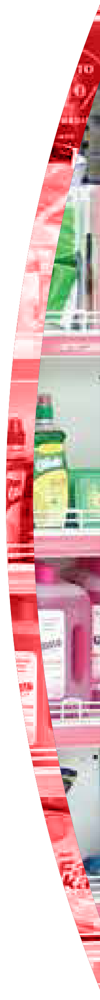
Content

Accelerating with Passion. Delivering with Purpose.

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

MedPlus at a Glance

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



Opportunities:

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

Growth:

MedPlus started in 2006 with 48 stores in Hyderabad, Now MedPlus is offering its services in 10 states and one union territory through 4,407 stores which are spread across Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, West Bengal, Maharashtra, Orissa, Madhya Pradesh, Chhattisgarh, Kerala and Puducherry. MedPlus employs a data analytics driven cluster- based process to expand its store network. The cluster-based approach to store network expansion is also driven by our understanding of the catchment demographics, market dynamics, and our ability to support store expansion with back-end infrastructure, such as warehouses and distribution centres. This approach allow us to:

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

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

Progess:

During the year under review, 585 net store additions were done across Tier 1, Tier 2 cities and beyond. We also expanded our footprint in three new adjacent states of Madhya Pradesh, Chhattisgarh and Kerala.


ORDER HERE
1600+
Offering
GENUINE MEDICINES
300+
GNC
LIVE WELL
Gillette

Our Potential in Numbers

Marked presence of 18 years with 4,407 Physical stores

Second largest Pharma retailer in the country

Wider geographical presence in 10 states and 1 Union territory covering over 640 cities

Empowered with 46k+ SKUs across pharma and non-pharma segment and 23k+ employee strength

1100+ Private Label Products covered under pharma category including Chronic, Acute, OTC & Other Pharmaceutical products

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

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

Diagnostic Services

Providing Diagnostic Services in Hyderabad with
4 Full service centres, 8 level 2 centres,
100+ collection centres.


GENUINE MEDICINES
GENUINE SAVINGS
Any Suggestions?
Call/WhatsApp: 93901-13737
red turtle
Premium Beverages
Coffee
Elevate Your Day With Our Rich Coffee Experience
Follow us on Instagram
YouTube
For 2 Hour Delivery
READING GLASSES AVAILABLE HERE
EATRITE

Chairman's Message

Dear Shareholders,

As we reflect on the past eighteen years, we can proudly acknowledge the strides we have taken in delivering value to all stakeholders. Our reach now extends to over 640 cities across Telangana, Andhra Pradesh, Karnataka, Tamil Nadu, West Bengal, Orissa, Maharashtra, Madhya Pradesh, Chhattisgarh and Kerala.

While our success story in the pharmaceutical retail sector continues to unfold, we recognise the potential of exploring new horizons. During the year, your Company has launched 'MedPlus' branded pharmaceutical products in several therapeutic areas covering acute and chronic ailments. This is in line with our core principle of offering quality and affordable medicines to our valued customers. We get these medicines manufactured in the same factories that cater to the needs of large pharmaceutical companies in the country, ensuring product quality and genuine medicines. For the year, the revenues from these products amounted to ₹ 7,477.35 million on a GMV basis (#Gross Merchandising Value). This represented 10.70% of our Pharmacy Revenues on a GMV basis and 8.31% on Net Reported Revenues. We are happy to report that this has contributed to significant savings for our valued customers.
#GMV=MRP-GST.

The organised retail in the pharmacy and wellness category (which includes organised brick-and-mortar stores as well as E-commerce) was approximately 18% in FY 2023 in the total retail pharmacy and wellness category and is expected to increase to approximately 23% by FY 2027, implying a CAGR of ~19% between FY 2023 and FY 2027.

In the case of retail pharmacy, space requirements and unit economics are favourable to a neighbourhood store location, and advantages of range, discount, technology, and professional approach make modern pharmacy successful.

The key market characteristics of the domestic pharmaceutical market include low per capita health expenditure, a high share of private out-of-pocket expenses (which includes purchases from pharmacies), lower penetration across rural areas and a growing trend of private sector-led integrated approach to treatment. The sector has a high opportunity for growth, given the limited penetration of health services both in rural and urban areas. There are gaps across awareness, access, affordability and acceptability of products and services

During the financial year:

- We registered ₹ 56,248.55 million in revenue from operations in 2023-24, recording a 23.42% growth as compared to the previous year's revenue of ₹45,575.76 million.
- Our EBITDA stood at ₹ 3,940.90 million in 2023-24, compared to the previous year when it stood at ₹ 3,117.46 million.

As we navigate the future, we remain committed to our core values, the pursuit of excellence, and our mission of enhancing healthcare accessibility and affordability.

Your Company continues to focus on providing pharmaceuticals, wellness items and fast-moving consumer goods guided by the three core principles:
- **Providing genuine products**
- **Offering unparalleled convenience to all consumers (with our omnichannel model) and**
- **Ensuring superior storage conditions all while maintaining competitive pricing.**

Through our unwavering dedication, we are poised to continue making a positive impact on the lives of countless individuals and the larger healthcare ecosystem.

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

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

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

Our achievements would not be possible without our dedicated employees. I thank you for your passion and commitment.

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

Thanks,

Gangadi Madhukar Reddy

Chairman, MD & CEO

Levers of Growth

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

Deeper Than Wider

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

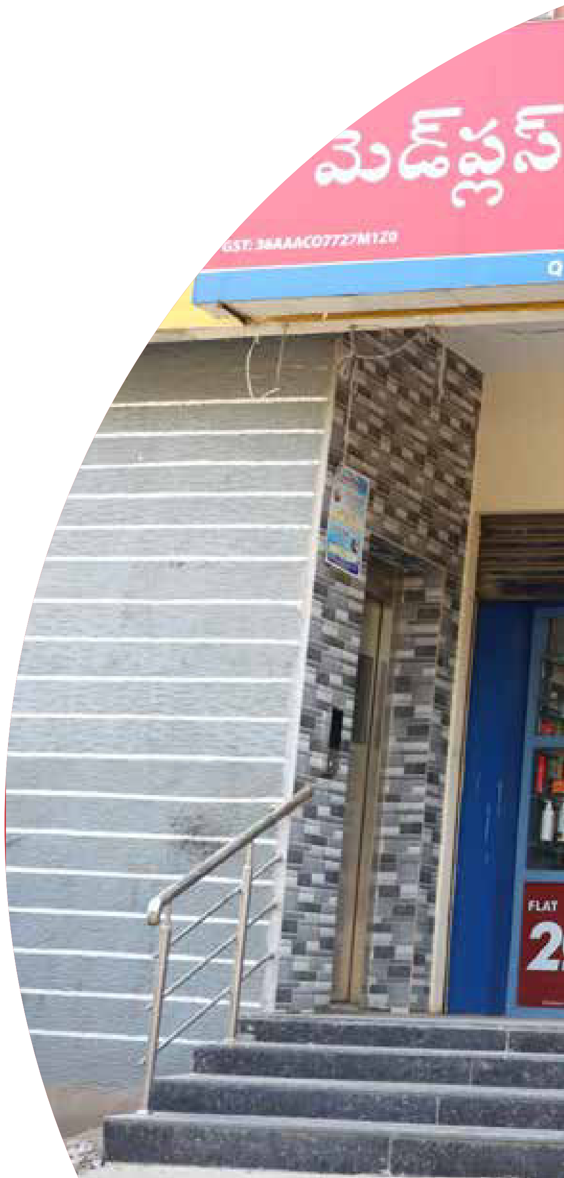
Increasing The Private Label Share

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

Given the substantial purchasing capacity at its disposal, MedPlus is well-positioned to introduce a broader range of private-label products. Moreover, the expansion will encompass private label products, particularly pharmaceutical products in several therapeutic areas covering acute and chronic ailments.

During the year, your Company has launched 'MedPlus' branded pharmaceutical products in several therapeutic areas covering acute and chronic ailments. This is in line with our core principle of offering quality and affordable medicines to our valued customers. We get these medicines manufactured in the same factories that cater to the needs of large pharmaceutical companies in the country, ensuring product quality and genuine medicines. We are happy to report that this has contributed to significant savings to our valued customers.

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



Boosting Revenue And Expanding Customer Engagement

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

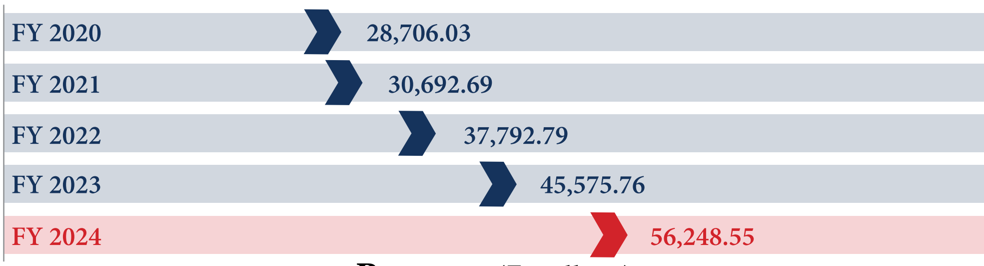
By strategically leveraging our local presence, we're not only enhancing our revenue streams but also deepening our connection with customers through a diversified range of offerings. This approach aligns with our commitment to being a reliable destination where customers can fulfil their diverse requirements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

Strengthening Operating Efficiency

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

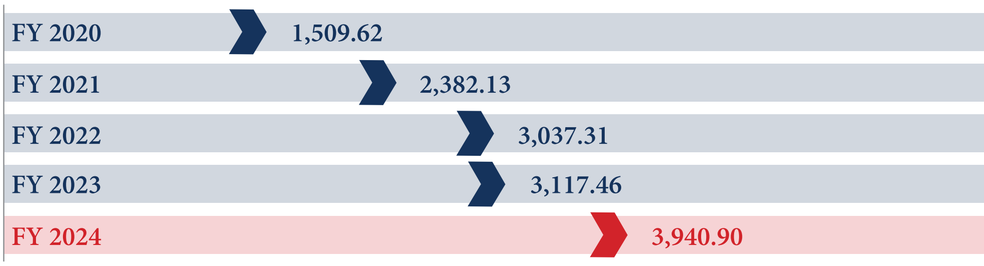
These combined initiatives synergistically contribute to an improved profitability outlook, serving as a solid foundation for our future ventures and undertakings.

Financial Snapshot

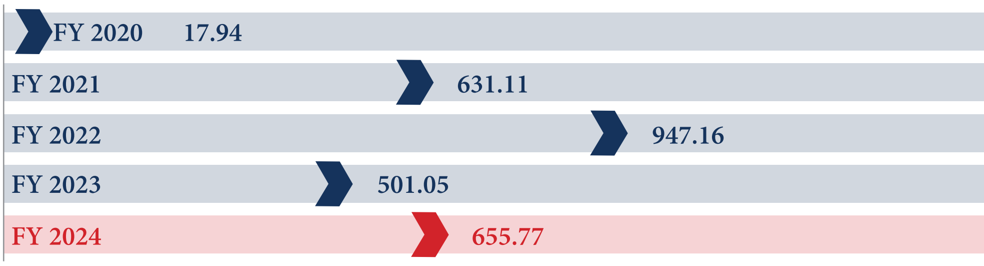


Revenue (₹ million)

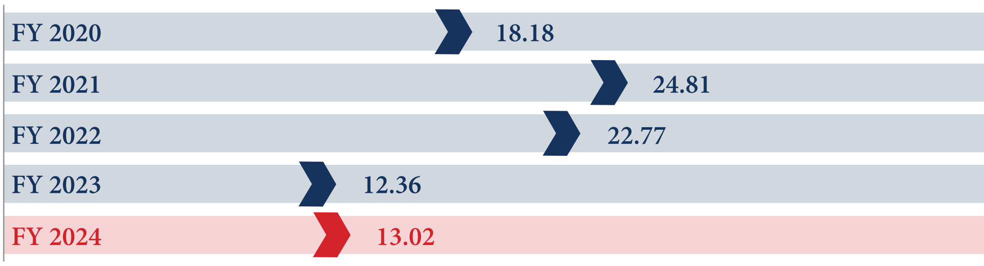
Gross Margin (%)



EBITDA (₹ million)



PAT (₹ million)



RoCE (%)


Follow us on Instagram
YouTube
MedPlus
MedPlus One TV
GENUINE MEDICINES
GENUINE SAVINGS
For 2 Hour
DIGENE
End to End Automati
READING GLASSES
AVAILABLE HERE
EATRITE
For Home Delivery of Medi
Download MedPl

The Board of Directors

Mr. Gangadi Madhukar Reddy

Chairman, Managing Director and Chief Executive Officer

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

Ms. Hiroo Mirchandani

Non-Executive Independent Director

Ms. Hiroo Mirchandani has decade-long Board experience of 12 diverse boards in consumer goods, healthcare, financial services, telecom, and hospitality sectors. She is currently a Non-Executive Independent director on the boards of Tata Teleservices (Maharashtra) Ltd., Crompton Greaves Consumer Electricals Ltd. and Piem Hotels Ltd. She chairs the Audit Committee of Tata Teleservices and till recently chaired the Nomination & Remuneration and Corporate Social Responsibility committees of MedPlus Health Services Ltd. Hiroo completed her term as Independent Director on July 4, 2024 and the Board of Directors is thankful for the contribution made by her to the company.

Prior to her career on boards, Ms. Mirchandani held customer - facing roles for over 30 years in P&L Management, Marketing and Sales. She advanced from being Branch Manager at Asian Paints, Marketing Head at Dabur and Jewellery Director at World Gold Council to Business Unit Director and Executive Committee member at Pfizer. Ms. Hiroo Mirchandani holds a bachelor's degree in commerce from Shri Ram College of Commerce and an MBA from the Faculty of Management Studies, Delhi University. She is also a Chevening Gurukul scholar from the London School of Economics.

Ms. Aparna Surabhi

Additional Director (Non-Executive Independent)

Ms. Aparna Surabhi is an Independent Director on Boards of Listed Companies and material subsidiaries of Listed Companies and chairing Audit Committees of some of the Boards. She is a Chartered Accountant and B.Com. LLB from Bombay University. She founded the CA firm namely S. Aparna and Co. in the year 1991 in Hyderabad and was actively into practice specializing in Internal Audits till the year 2019. During this period, she was actively involved and participating in the activities of ICAI, Hyderabad, and served as the first Chairperson of the Hyderabad Branch of SIRC of ICAI during the year 2006-07. She was also a consultant for numerous startup businesses. She is having more than three decades of rich experience in the field of finance and HR. She is currently working as Chief Financial Officer (CFO) and Chief Human Resources Officer (CHRO) in Caliber Technologies Private Limited, a company specializing in IT solutions for regulated markets.

The Board of Directors

Dr. Cherukupalli Bhaskar Reddy

Whole Time Director and Chief Operation Officer

Dr. Cherukupalli Bhaskar Reddy has done MBBS from Kurnool Medical College, Andhra Pradesh in the year 1992, MS in Gen-Surgery from Manipal Academy of Higher Education (MAHE), Mangalore in the year 1997 and FRCS from Edinburgh (UK) in the year 2003. He is associated with the Company/ group since inception of the Company. He was overseeing the Recruitment, training, expansion of the business and having rich experience of more than two decades in the field of retail pharmacy, business strategy, building the leadership and making company towards process driven establishment. Presently he is looking after the pharmacy operations of the Company.

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 35 years of experience in various companies in the Retail, Technology and the Industrial sectors. He is currently engaged as a Strategy Consultant working with growth enterprises, and also as Independent / Nominee Director.

Mr. Murali Sivaraman

Non-Executive Independent Director

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

The Board of Directors

Mr. Anish Kumar Saraf

Non-Executive Director

Mr. Anish Kumar Saraf is a Chartered Accountant from the Institute of Chartered Accountants of India. He holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is currently the Managing Director of Warburg Pincus India Private Limited and has been associated with them from more than 16 years. He is involved in the firm's Investment Advisory activities in India and evaluates opportunities in Real Estate, Industrial, and Consumer sectors in India.

Mr. Atul Gupta

Non-Executive Director

Mr. Atul Gupta holds a bachelor's degree in technology from the Indian Institute of Technology, Bombay and a master's degree in business administration from the Walter A. Haas School of Business, University of California, Berkeley. He is employed as an investment partner at Premji Invest and leads investments in technology enabled sectors including consumer-tech, health-tech, fin-tech and enterprise tech. He has more than 15 years of experience in the investment industry. Mr. Atul Gupta stepped down from directorship w.e.f. September 26, 2023, due to withdrawal of nomination by PI Opportunities Fund- I (Investor) as per terms of Shareholders Agreement. The Board of Directors is thankful for the contribution made by him to the company.

The Management Team

Mr. Gangadi Madhukar Reddy

Chairman, Managing Director and Chief Executive Officer

Dr. Cherukupalli Bhaskar Reddy

Whole Time Director and Chief Operating Officer

Mr. Sujit Kumar Mahato

Chief Financial Officer

Mr. Chetan Dikshit

Chief Strategy Officer

Mr. Lakshman Kandarpa

Chief Retail Officer

Mr. Kandasamy Vairaperumal

Head, Supply Chain

Mr. Venugopal Siripuram

Chief Technology Officer

Mr. Manoj Kumar Srivastava

Head-Corporate Secretarial, Governance, Company Secretary & Compliance Officer

Corporate Information

BOARD OF DIRECTORS:

Mr. Gangadi Madhukar Reddy
Chairman, Managing Director and Chief Executive Officer

Dr. Cherukupalli Bhaskar Reddy
Whole Time Director and Chief Operating Officer

Mr. Murali Sivaraman
Non- Executive Independent Director

Mr. Madhavan Ganesan
Non-Executive Independent Director

Ms. Hiroo Mirchandani
Non-Executive Independent Director
(upto July 04, 2024)

Ms. Aparna Surabhi
Additional Director (Non-Executive Independent)

Mr. Anish Kumar Saraf
Non- Executive Director

Mr. Atul Gupta
Non- Executive Director (upto September 26, 2023)

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Mr. Gangadi Madhukar Reddy
Chairman, Managing Director and Chief Executive Officer

Dr. Cherukupalli Bhaskar Reddy
Whole Time Director and Chief Operating Officer

Mr. Sujit Kumar Mahato
Chief Financial Officer

Mr. Chetan Dikshit
Chief Strategy Officer

Mr. Lakshman Kandarpa
Chief Retail Officer

Mr. Kandasamy Vairaperumal
Head, Supply Chain

Mr. Venugopal Siripuram
Chief Technology Officer

Mr. Manoj Kumar Srivastava
Head-Corporate Secretarial, Governance,
Company Secretary & Compliance Officer

STATUTORY AUDITORS:

B S R and Co
Unit-3, Sy No. 83/1, 6th Floor, Orwell, Salarpuria, Knowledge City, Raidurg, Plot No.2, Knowledge City Rd, Hyderabad, Telangana – 500082

SECRETARIAL AUDITORS:

R & A Associates
Office No. T 202, Technopolis, 1-10-74/B Above Ratnadeep Super Market, Chikoti Gardens, Begumpet, Hyderabad - 500016

COST AUDITORS:

M P R & Associates
6-3-349/15/17, Flat No : 301, Sri Sai Brundavan, Apartments, Dwarakapauri Colony , Panjagutta, Hyderabad, Telangana – 500082

INTERNAL AUDITORS:

Ernst & Young LLP
The Skyview 10 " South Lobby" 18th Floor, Survey No. 83/1 Raidurg, Hyderabad -500032

REGISTRAR & SHARE TRANSFER AGENT:

KFin Technologies Limited
Selenium Building, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500032
Phone No: (+91) 40 6716 2222 (+91) 40 7961 1000
Email: einward.ris@kfintech.com

REGISTERED AND CORPORATE OFFICE:

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

E-MAIL ADDRESS:

cs@medplusindia.com
ir@medplusindia.com

WEBSITE:

www.medplusindia.com

NOTICE

NOTICE is hereby given that **Eighteenth Annual General Meeting** ('18th AGM') of MedPlus Health Services Limited ('the Company') will be held on **Thursday, September 26, 2024, at 03:30 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 & Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024, and the Reports of the Board of Directors and Auditors thereon.**

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

SPECIAL BUSINESS:

3. **Appointment of Ms. Aparna Surabhi (DIN: 01641633) as Non–Executive Independent Director of the Company.**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulations 16(1)(b), 17, 25(2A) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, Ms. Aparna Surabhi (DIN: 01641633), who was appointed by the Board of Directors upon recommendation of the Nomination and Remuneration Committee as an Additional Director (Non-Executive Independent) in terms of Section 161 of the Act and who is eligible for appointment as an Independent Director and meets the criteria of independence under Section 149(6) of the Act and the Rules made thereunder read with Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member of the Company proposing her candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as a Non-Executive Independent Director of the Company for a period of five(5) consecutive years, with effect from July 01, 2024 to June 30, 2029, and her office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

4. **Ratification of remuneration to M/s. M P R & Associates, Cost Accountants (Firm Registration No.: 000413), Cost Auditors of the Company for the financial year 2023-24 and 2024-25.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. M P R & Associates, Cost Accountants (Firm Registration No.: 000413), who were appointed by the Board of Directors as the Cost Auditors of the Company, based on the recommendation of the Audit Committee, to audit the cost records of the Company for the financial year 2023-24 and 2024-25, amounting to ₹1,30,000 (Rupees One Lakh Thirty Thousand Only) each year plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.**"**

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

Sd/-
Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS 7460

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

Place: Hyderabad
Date: August 02, 2024

Notes:

1. In continuation of Ministry of Corporate Affairs ("MCA") General Circular No. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013, and the rules made thereunder, General Circular No. 20/2020, dated May 5, 2020, General Circular No. 10/2022 dated December 28, 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 in relation to "Clarification on holding of Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")" (collectively referred to as "MCA Circulars") and SEBI vide its circular dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular dated January 15, 2021, and January 5, 2023 ("SEBI Circulars"), permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the **18th AGM of the Company is scheduled to be held through VC/OAVM on Thursday, September 26, 2024, at 03:30 PM (IST). This notice of 18th AGM ("Notice") is approved by Board of Directors on August 02, 2024.** The proceedings of the 18th 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 - 500 037, Telangana, India.

   KFin Technologies Limited, Registrar & Transfer Agent of the Company, (earlier known as KFintech Private Limited) ("KFintech") shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 18 below.

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

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

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

5. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 and as amended on April 01, 2024 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

6. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing under Item No. 3 and 4 of the accompanying Notice, are considered to be unavoidable by the Board and

hence, forms part of this Notice. The Explanatory Statement as required under section 102 of the Act, with respect to Item No. 3 and 4, is annexed hereto. Further, the relevant details with respect to item no. 3 and 4 pursuant to Regulation 36(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, and Secretarial Standards on General Meetings issued by ICSI in respect of Director seeking re-appointment or appointment at this AGM are also annexed.

7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., September 26, 2024. Members seeking to inspect such documents can send an email to cs@medplusindia.com.

8. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Limited having their office at Selenium Building, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500032.

9. 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.

10. TRANSFER OF SHARES PERMITTED IN DEMATERIALISED FORM ONLY:

As per Regulation 40 of the Listing Regulations, as amended securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities. In view of the above and to eliminate risk associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form. 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 website 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.

SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, November 17, 2023 and June 10, 2024) mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

11. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting duly filled and signed forms, the format of which is available on the Company's website at www.medplusindia.com and on the website of the Company's RTA, https://www.kfintech.com/ It may be noted that any service request can be processed only after the folio is KYC compliant.

12. ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:

In accordance with the MCA General Circular No. 20/2020 dated May 05, 2020 and SEBI Circular No. SEBI/ HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/

HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), 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, 2024 pursuant to section 136 of the Act and Notice calling the 18th AGM pursuant to section 101 of the Act read with the Rules framed thereunder, are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/KFintech or the Depository Participant(s). In case of the shares held jointly by two or more persons, the Notice shall be given to the person whose name appears first as per the record of the Depository or the Company and will be entitled to vote during the AGM, as the case may be. The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member unless any member has requested for a hard copy of the same.

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.

13. A copy of the Notice of this AGM along with Annual Report for the Financial Year 2023-2024 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.

14. Members are requested to:

    - intimate to KFintech, changes, if any, in their name, registered address, email address, telephone/mobile numbers at an early date, in case of Shares held in physical form;
    - intimate to the respective Depository Participant, changes, if any, in their name, registered address, email address, telephone/mobile numbers 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 in Form ISR-1 and other forms pursuant to SEBI Master Circular No. SEBI/HO/MIRSD/SECFATF/P/CIR/2023/169 dated October 12, 2023.

15. 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.

16. SUBMISSION OF QUESTIONS/QUERIES PRIOR TO AGM:

For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id ir@medplusindia.com /cs@medplusindia.com at least 72 hours before the time fixed for the AGM i.e. by 4:00 PM (IST) on September 23, 2024, 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 record date i.e. September 19, 2024, 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 by 4:00 PM (IST) i.e. on September 23, 2024.

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 September 23, 2024, 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.

17. SPEAKER REGISTRATION BEFORE AGM:

Members of the Company, holding shares as on the cut-off date i.e. September 19, 2024 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 September 22, 2024 (10:00 AM IST) up to September 24, 2024 (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.

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

a. 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. 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 the notice.

b. 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.

c. 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 in the Notice, and this mode will be available throughout the proceedings of the AGM. The facility for attending the AGM virtually will be made available for 1,000 members on first come first served basis. This will not include large members (i.e. members with 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee. Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

d. In case of any query and/or help, in respect of attending AGM through VC/OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC/OAVM' user manual available at the download Section of https://evoting.kfintech.com or contact at ir@medplusindia.com /cs@medplusindia.com , or Sri Sai Karthik Tikkisetti, Manager - Corporate Registry, KFintech at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 or at the email ID emeetings@kfintech.com or Helpline: 1800 309 4001 for any further clarifications.

19. INSTRUCTIONS FOR REMOTE E-VOTING:

The Company has availed the services of KFin Technologies Limited ("KFin") for conducting the AGM through VC/OAVM and enabling participation of shareholders at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM (Insta Poll).

a) Any person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the September 19, 2024 only shall be entitled to avail the facility of remote e-voting. The remote e-voting period commences on September 23, 2024 at 9:00 a.m. IST and ends on September 25, 2024 at 5:00 p.m. IST. The remote e-voting module shall be disabled by KFin for voting thereafter. Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.

b) The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

c) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with KFin for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by KFin.

d) In order to increase the efficiency of the voting process, and pursuant to the SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 9 December 2020, the demat account holders, are provided a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will now be able to cast their vote without having to register again with the E-voting Service Providers ("ESPs"), thereby facilitating seamless authentication and convenience of participating in e-voting process.

The procedure for remote e-voting is as under:

A. The detailed process and manner for remote e-voting for individual shareholders holding securities in Demat mode are explained herein below:

Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website http://www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there are also links provided to access the system of all ESPs, so that the user can visit the ESPs' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all ESPs.

Individual Shareholders holding securities in Demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Shareholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000.

B. Login method for e-voting and joining virtual meetings for shareholders holding shares in physical mode and non- individual shareholders holding shares in demat form:

i. Shareholders should log on to the e-voting website: https://evoting.kfintech.com.

- Enter the login credentials i.e., user id and password mentioned below:

  For Members holding shares in Demat Form:-

  a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID

  b) For CDSL: 16 digits beneficiary ID

- For Members holding shares in Physical Form:

  - **Event no.** i.e. xxxx, followed by Folio Number registered with the Company.

  - **Password:** If you are already registered for e-Voting, then you can use your existing password to login and cast your vote. If you are using KFin's e-Voting system for the first time, you will need to retrieve the 'initial password' communicated to you by e-mail. Shareholders who have not registered their email addresses can follow the steps provided at serial no. iii below to obtain the User ID and password.

  - **Captcha:** Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

ii. After entering the details appropriately, click on LOGIN.

iii. In case you are retrieving and using your 'initial password', you need to enter the 'initial password' and the system will force you to change your password. Once you reach the password change menu you will be 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. The system will prompt you to change your password and update any contact details like mobile, e-mail etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

You need to login again with the new credentials.

iv. On successful login, the system will prompt you to select the EVENT.

v. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/ dissenting to the Resolution, then enter all shares and click "FOR"/" AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "ABSTAIN" in case you wish to abstain from voting. If you do not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

vi. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.

vii. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote.

viii. During the voting period, shareholders can login any number of times till they have voted on the resolution.

ix. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.

x. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cutoff date i.e., September 19, 2024.

xi. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., September 19, 2024, may obtain the User ID and password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may:

a) Send SMS: MYEPWD <space>

E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL :

MYEPWD <SPACE> 1402345612345678

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

b) On the home page of https://evoting.kfintech.com, click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.kfintech.com or contact KFin Technologies Ltd. at 1800 309 4001 (toll free). It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

20. OTHER INSTRUCTIONS:

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

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

c. The remote e-voting period commences on September 23, 2024 (09:00 AM IST) and ends on September 25, 2024 (05:00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date September 19, 2024 (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.

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

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

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

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

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

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

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

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

22. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/ HO/OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

23. **KPRISM – Mobile service application by KFintech:**

    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.

24. **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 KFintech 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
For **MedPlus Health Services Limited**

Sd/-
Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS 7460

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

Place: Hyderabad
Date: August 02, 2024

Pursuant to Section 152 of the Act, Mr. Anish Kumar Saraf (DIN: 00322784), Non - Executive Director is liable to retire by rotation at this Annual General Meeting. The brief profile including nature of his expertise, functional areas, names of the Companies in which he holds directorship, Membership/Chairmanship of Board Committees and shareholding in the Company as stipulated under SEBI Listing Regulations and Secretarial Standards on General Meetings issued by ICSI forms part of the Notice as **Annexure- A**.

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

As required by Section 102 of the Act, and the SEBI Listing Regulations, the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Items No. 3 and 4 of the accompanying Notice:

ITEM NO. 3

Pursuant to Section 161 of the Companies Act, 2013, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on July 1, 2024, appointed Ms. Aparna Surabhi (DIN: 01641633) as a Additional Director in the category of Non-Executive Independent Director with effect from July 1, 2024, to June 30, 2029 (both days inclusive), subject to the approval of the Members by way of a Special Resolution. Pursuant to Regulation 17(1C) of the Listing Regulations, she shall hold office until the date of next General Meeting or for a period of three months from the date of her appointment, whichever is earlier. The Company has received the following declarations from Ms. Aparna Surabhi:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules");

(ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act;

(iii) A declaration to the effect that she meets the criteria of independence as provided in sub-section (6) & (7) of Section 149 of the Act and Regulation 25(8) of LODR Regulations;

(iv) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018, that she has not been debarred from holding office of a director by virtue of any order passed by SEBI or any other such authority;

(v) Confirmation that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as a Non-Executive Independent Director of the Company;

(vi) A declaration that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of independent directors maintained by the Indian Institute of Corporate Affairs.

(vii) The Company has received a notice in writing by a member proposing her candidature under Section 160 of the Act.

(viii) Form MBP-1 – disclosing her concerns or interests in other company(ies) in terms of section 184(1) of the Act.

In the opinion of the Board, Ms. Aparna Surabhi fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that her skills, background and experience are aligned to the role and capabilities identified by the Nomination and Remuneration Committee and that she is eligible for appointment as a Non-Executive Independent Director of the Company.

Ms. Aparna Surabhi is having 33 years of rich experience in the field of audit, finance, HR, etc. Brief profile of Ms. Aparna Surabhi is annexed as per **Annexure A** to the notice. The copy of letter of appointment of Ms. Aparna Surabhi as a Non-Executive Independent Director setting out the terms and conditions is available for electronic inspection by the Members during business hours including the day of the 18th AGM of the Company.

The resolution seeks the approval of Members for the appointment of Ms. Aparna Surabhi as a Non-Executive Independent Director of the Company for a term of consecutive five (5) years effective from July 1, 2024, to June 30, 2029 (both days inclusive).

None of the Directors, Key Managerial Personnel or their relatives except Ms. Aparna Surabhi, to whom the resolution relates, are in any way, concerned or interested financially or otherwise, in passing the proposed resolution set out in item no. 3.

The Board of Directors recommends the approval of resolution as Special Resolution as set out in Item no. 3 of this notice.

ITEM NO. 4

Upon recommendation of the Audit Committee, the Board of Directors approved the appointment of M/s. M P R & Associates, Cost Accountants (Firm Registration No.: 000413), as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24 and 2024-25 at a remuneration of ₹1,30,000 (Rupees One Lakh Thirty Thousand Only) each year, plus applicable taxes and out of pocket expenses, if any in connection with the aforesaid audit.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 (the "Act") read with the Companies (Audit and Auditors) Rules, 2014, as amended, and other applicable provisions, if any, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year 2023-24 and 2024-25.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in passing the proposed Resolution set out in item no. 4.

The Board of Directors recommends the approval of the Resolution as Ordinary Resolution as set out in Item No. 4 of the Notice.

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

Sd/-
Manoj Kumar Srivastava
Company Secretary & Compliance Officer
FCS 7460

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

Place: Hyderabad
Date: August 02, 2024

ANNEXURE A

Brief profile of Directors proposed for re-appointment/appointment

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, the details of the Directors proposed to be re-appointed/appointed is as given below:

Name of Director	Mr. Anish Kumar Saraf	Ms. Aparna Surabhi
Date of Birth	30-10-1977	20.08.1967
Age	46 years	56 years
Date of Appointment	06-02-2021	01.07.2024
Qualification	He is a Chartered Accountant from the Institute of Chartered Accountants of India. He holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad.	She is a Chartered Accountant from the Institute of Chartered Accountants of India, B.Com. and LLB from Bombay University.
Experience and Expertise	He is currently the Managing Director of Warburg Pincus India Private Limited and has been associated with them from more than 16 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.	She is an Independent Director on Boards of Listed Companies and its material subsidiaries and chairing Audit Committees of some of the Boards. She is a Chartered Accountant and B.Com. LLB from Bombay University. She founded the CA firm namely S. Aparna and Co. in the year 1991. She is having more than three decades of rich experience in the field of audit, finance and HR. Ms. Aparna Surabhi is currently working as Chief Financial Officer (CFO) and Chief Human Resources Officer (CHRO) in Caliber Technologies Private Limited, a company specializing in IT solutions for regulated markets.
Remuneration Last Drawn	NA	NA
Remuneration to be Drawn	NA	NA
No of Board Meeting attended during FY2023-24	Refer Corporate Governance Report of the Annual Report.	NA
Shareholding in the Company	NIL	NIL
Relationship with other Directors and KMPs	Not related to any Director/Key Managerial Personnel of the company	Not related to any Director/ Key Managerial Personnel of the company
Directorships held in other Companies	• Watertec (India) Private Limited • BIBA Fashion Limited • Kalyan Jewellers India Limited • PRL Developers Private Limited • Imagine Marketing Limited • Warburg Pincus India Private Limited • Parksons Packaging Limited • NNA CRE Properties LLP	• Caliber Technologies Private Limited • Pharmaclan Consulting Private Limited • Heritage Nutrivet Limited • Optival Health Solutions Private Limited • Heritage Foods Limited • HBL Power Systems Limited
Chairperson/Membership held in other Companies	• Watertec (India) Private Limited • BIBA Fashion Limited • Kalyan Jewellers India Limited • Imagine Marketing Limited • Warburg Pincus India Private Limited • Parksons Packaging Limited	• Heritage Foods Limited • Heritage Nutrivet Limited • Optival Health Solutions Private Limited
Listed Entities from which the person has resigned in the past 3 years	• PVR Inox Limited	NIL
Terms and Conditions of Appointment	NIL	According to the Terms and Conditions of Appointment for Independent Directors as available on the company's website.
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Director liable to retire by rotation	Refer Item No. 3 of the Notice and Explanatory Statement

MANAGEMENT **DISCUSSION AND ANALYSIS**

Indian Economy

Building on the momentum of the past three years, the Indian economy continues to be on a stable footing in the financial year 2023-24, demonstrating resilience in the face of geopolitical challenges. The Indian economy is estimated to have grown by 8.20% in real terms owing to government infrastructure spending, domestic consumption and robust manufacturing performance.

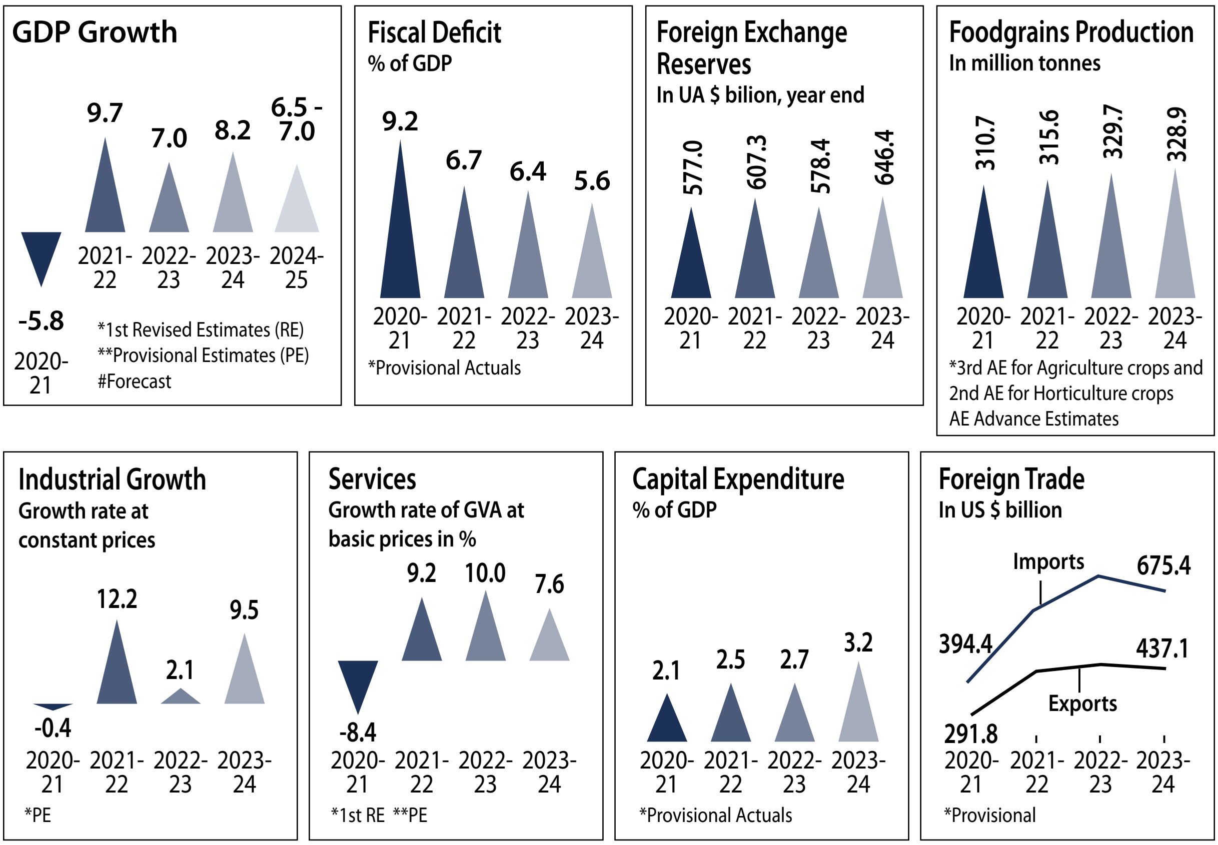
The government's policy measures played a crucial role in creating a conducive business environment. These included reforms aimed at improving the ease of doing business and financial sector stability.

While inflation posed some challenges, the Reserve Bank of India's monetary policy and government interventions helped to keep it under control with retail inflation staying at an average of 5.40% in FY 2024, the lowest level in 4 years, since the Covid-19 pandemic period. Core services inflation dropped to a nine-year low in FY 2024.

The National Statistical Office (NSO) reports that private final consumption expenditure (PFCE) experienced a solid growth of 4.00% in 2023-24, reflecting strong consumption demand within the country.

Outlook: Looking ahead, while global uncertainties and geopolitical tensions cast a shadow, India's strong fundamentals position it well for sustained growth. GDP growth is projected to moderate to around 7.00% in FY25.

Indian Economy: A Snapshot



Source: https://economictimes.indiatimes.com/news/economy/indicators/rising-price-of-staples-fueled-indias-inflation-the-most-in-fy24-says-rbi-report/articleshow/110554211.cms?from=mdr
https://nsearchives.nseindia.com/web/sites/default/files/inline-files/India_Q4FY24_GDP_Update_20240601.pdf

https://cfo.economictimes.indiatimes.com/news/economy/indias-gdp-growth-pegged-at-8-2-in-fy24/110597383#:~:text=Manufacturing%20saw%20a%20remarkable%20growth,to%20the%20overall%20GVA%20growth.

https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20240531150532&msec=106

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2034947

https://pib.gov.in/PressReleasePage.aspx?PRID=2034973

Indian Pharmacy Retail Industry

The Indian pharma retail landscape has undergone a dramatic transformation in the last few decades, especially post-liberalisation. Traditionally, the sector was dominated by small, independent chemist shops, often family-owned, catering to local needs. These shops were the primary source of medicines for most people around the neighbourhood.

However, the opening up of the Indian economy during the 1990s paved the way for organised retail players. Many large companies emerged, bringing a standardised approach to the sector. These chains focused on offering a clean, modern, and organised shopping experience.

Beyond prescription medicines, they started providing a variety of healthcare products, personal care items and wellness products. The staffs are highly trained and knowledgeable in healthcare matters, enabling them to provide expert recommendations and personalised care to the customers.

Today, the Indian pharmacy retail market forms a significant part of the overall healthcare sector's ecosystem. In recent years, however, there has been an emergence of modern retail channels. The crowded, neighbourhood medicine stores are being replaced by these swanky, air-conditioned, large-format pharmacy chains promoted by organised players.

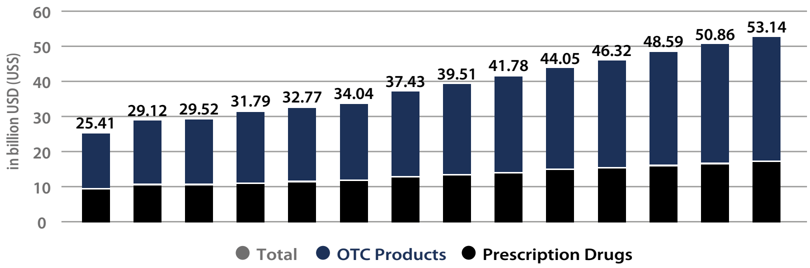
These include a network of pharmacies that operate under a brand name, maintain a value chain right from sourcing of products to warehousing, and then distribute through their stores. The modern retail channel includes e-commerce channels that deliver drugs at home and only have an online presence. Additionally, there are omnichannel networks, too, which combine the two modern forms by having brick-and-mortar stores and also an online presence.

Government initiatives: The Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) aims to provide affordable, quality generic medicines to the masses through Janaushadhi Kendras. These government-approved stores offer medicines at significantly lower prices compared to branded counterparts, without compromising on quality.

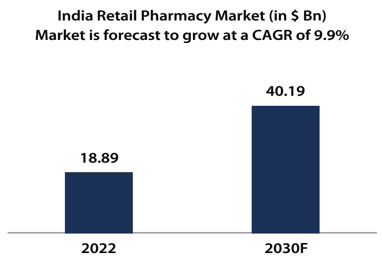
The government aims to have 25,000 Janaushadhi Kendras nationwide by March 31, 2026, with over 12,616 already operational as on June 30 2024. These centres offer medicines at significantly lower prices, saving citizens over ₹28,000 crore in nine years.

The Union Budget 2024-25 allocated ₹90,171 crore to the healthcare and pharmaceuticals sector, which is a significant increase from the ₹79,221 crore allocated in 2023-24.

Indian pharmacy market revenue



Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.
Most recent update: Jun 2024
Source: Statista Market Insight



The data presented is tentative & subject to change in the final report.

Source: https://www.statista.com/outlook/hmo/pharmacies/india

https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/india-rubbishes-lancet-report-says-spending-on-healthcare-is-at-all-time-high/articleshow/109306882.cms?from=mdr

https://www.livemint.com/news/india/budget-2024-health-and-pharma-industry-eyes-increase-in-gdp-11721654649062.html

https://economictimes.indiatimes.com/news/india/govt-plans-to-have-25000-janaushadhi-kendras-by-march-2026/articleshow/107467284.cms?from=mdr

https://janaushadhi.gov.in/pmjy.aspx#:~:text=Under%20the%20scheme%2C%20dedicated%20outlets,are%20functional%20across%20the%20country.

https://www.livemint.com/news/india/budget-2024-health-and-pharma-industry-eyes-increase-in-gdp-11721654649062.html

Growth drivers:

Convenience: Convenience drives growth for omnichannel pharma retail companies by enhancing customer satisfaction and loyalty. Offering services like easy-to-access locations, online ordering, and home delivery meets the growing demand for hassle-free experiences. By making it simpler for customers to obtain medications and health products, pharmacies attract and retain a broader clientele, increase sales, and strengthen their market position, all while improving overall customer engagement.

Expanding geriatric population: The increasing number of elderly people, who often require chronic medication, drives growth for pharma retail companies. These people require medicines at their doorstep because of mobility challenges and other issues. As this demographic expands, the demand for ongoing pharmaceutical care and medications rises, boosting sales and creating opportunities for omnichannel pharmacy retailers to expand their services and product offerings to meet these needs.

More health-conscious people: Growing awareness of healthcare and wellness fuels growth for pharma retail companies by increasing demand for health-related products and services. Because, unlike old pharmacies these new-age retail players don't just deal in medicines but also supplements, and wellness products as well. This trend drives higher engagement and spending in the sector, allowing pharma retailers to expand their offerings and enhance customer loyalty, boosting overall business growth.

Megatrends

Entry of organised retail: The entry of big organised retail companies in the pharma retail sector is creating a ripple expanding market reach and enhancing competitive dynamics. Large retail chains bring advanced supply chains, extensive distribution networks, and significant marketing power, which often leads to increased consumer access and higher sales volumes. Their presence stimulates innovation and efficiency in the sector, benefiting all players and boosting overall market growth and customer engagement.

Growth of private labels: Private labels, or store brands, are retailer-owned products offering consumers quality at competitive prices. By controlling the entire product lifecycle, retailers enjoy higher profit margins due to reduced costs in distribution, shelf space, overhead, and marketing. This allows them to offer greater value to customers. Additionally, private labels provide product variety and can foster customer loyalty, strengthening the retailer's brand identity.

Transformation from pharmacy to wellness centres: By positioning themselves as 'wellness centres' rather than just pharmacies, organised players aim to spread fixed costs over a larger revenue base and benefit from economies of scope on the customer side. This approach encourages people to visit the store not only for curative medicines but also for preventive wellness products and health supplements, helping organized pharma retailers increase their share of customer spending and boost overall profitability.

Opportunities

Increasing spending on healthcare and medicines: In India, medicines and health enhancement services are a large part of healthcare spending. In November 2022, Indian households spent an estimated ₹120 billion on healthcare and related services, with rural households spending ₹309 and urban households spending ₹460 on average. According to a study of patients at healthcare facilities in three Indian states, 70% of out-of-pocket healthcare payments are for medicines. The Indian government also spends a significant amount on healthcare, with approximately ₹845 billion spent in 2022. This is expected to increase to over ₹891 billion by 2024, and the government is projected to spend 2.50% of GDP on healthcare in 2025.

Source:

https://www.statista.com/statistics/1343739/india-health-expenditure-by-major-head/#:~:text=Government%20health%20expenditure%20in%20India%20FY%202022%2D2024%2C%20by%20major%20head&text=In%20financial%20year%202022%2C%20the,issues%20such%20as%20nutrition%20deficiency.

https://ceda.ashoka.edu.in/how-much-do-indian-households-spend-on-healthcare-every-month/#:~:text=How%20much%20do%20Indian%20households%20spend%20on%20healthcare%20every%20month?,-31%20May%202023&text=In%20this%20CEDA%2DCMIE%20bulletin,a%20bulk%20of%20healthcare%20expenditure.

Unorganised Indian market: In developed markets, the pharma retailing industry is largely organised, with organised retail chains dominating in regions such as the US, the UK, and China. However, India's pharma retail sector remains predominantly unorganised, presenting a significant opportunity for organised players. The dominance of unorganised retail in India opens avenues for organised pharma retail companies to enter and capture a substantial share of the market.

Expanding rural market: Expanding into small towns and the rural market offers a significant opportunity for pharma retail companies in India due to the large, underserved population in these areas. With limited medical infrastructure and rising incomes, there is increasing demand for accessible healthcare and quality medicines. By targeting rural regions, pharma retailers can fill this gap, tap into new customer bases, and drive growth, capitalising on the expanding healthcare needs of these communities.

Favourable government policies: Government policies like the National List of Essential Medicines (NLEM) and the National Pharmaceutical Pricing Authority (NPPA) create significant opportunities in the pharma retail market. The NLEM improves access to essential, affordable medications, expanding market reach, while the NPPA's price regulation fosters a competitive and stable market. These policies enhance medicine affordability and availability, driving growth and allowing pharma retailers to capture new customer bases and expand into underserved regions.

Threats

Strict regulations and price control: In the pharma retail industry, stringent regulations and guidelines pose significant threats. Restrictions on drug eligibility and coverage for certain prescription medications can adversely impact the business. Additionally, price controls imposed by entities such as the Drugs Price Control Order (DPCO) and the National Pharmaceutical Pricing Authority (NPPA) can limit the profitability of specific drugs, presenting a substantial challenge to maintaining healthy profit margins.

Expansion comes with challenges: Retail pharmacy chains face significant threats due to the constant need to expand into new markets. Challenges include setting up new supply chain networks, understanding local consumer behaviour, navigating local regulations, and managing the financial burden of expansion-related debt. Failure to effectively expand can hinder operations and negatively impact profit margins, posing a substantial risk to the company's growth and overall success.

Counterfeit medicines: The presence of counterfeit medicines in the market poses a severe threat to pharma retail companies. It can erode customer trust and damage the company's reputation, leading to diminished consumer confidence in the brand's integrity and reliability. This not only jeopardizes customer loyalty but also risks legal repercussions and financial losses. Ensuring the authenticity and safety of products is crucial to maintaining market position and safeguarding the company's image.

MedPlus’ takes

India's retail chain pharmacy sector is poised for remarkable growth, and MedPlus Health Services Limited is strategically positioned to capitalise on this opportunity. As a capital-intensive industry, pharmacy retailing demands significant investment in prime locations and operational infrastructure. However, our organisation's robust financial foundation and industry expertise enable us to navigate these challenges with ease.

With a deep understanding of market dynamics and the demographics we serve, we have established a strong backend infrastructure, comprising warehouses and distribution channels. This solid foundation, combined with our vertically integrated operations, technology-driven approach, and omnichannel presence, sets us up for exponential growth.

As we expand our store footprint, we are confident that our unique strengths will enable us to gain a larger share of the organised pharmacy retail market. MedPlus is well-equipped to lead the way in this sunrise sector, leveraging our expertise and resources to drive success and cement our position as a market leader. With a clear vision and robust strategy in place, we are poised for a future of sustained growth and excellence.

Company overview

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

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

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

Segmental revenue

(₹ in millions)

	Revenue	
	FY 2024	FY 2023
Retail	55,490.52	45,268.70
Diagnostics services	748.85	305.54
Others	9.18	1.52

Retail Segment consists of Pharmacy stores across India, the Company has 4,407 stores (670 stores opened during the year FY 2024 and 1144 stores during the year FY 2023) of which Matured stores (more than 12 months operational) is 3,737 stores as on year end March 31, 2024. The Company witnessed significant revenue growth as the matured stores has increased by 20.46% over FY 2023, and revenue from operations increased by 22.58% (FY 2024-55,490.52; FY 2023-45,268.70). The Company's mature outlets maintained solid operational performance, with 9.17% Store Level EBITDA margin. Private label share climbed from 13.64% to 14.26% in FY 2024, while gross margin remained stable at 21.92% in FY 2024. This marks a new high for MedPlus and demonstrates the strength of its supply chain and operational skills.

Diagnostics Segment consists of pathology and radiology services, the Company has four full-service Diagnostic Centres and eight level-2 Diagnostic Centres as on March 31, 2024, and our customers have embraced it enthusiastically.

The other segment includes insurance broking business.

Financial overview

Summarised consolidated Profit and Loss statement

(₹ Millions)

Particulars	FY 2024	% of income FY 2024	FY 2023	% of income FY 2023
Total Income	56,648.63	-	46,036.54	-
Purchase of stock-in-trade, cost of materials consumed and changes in inventories ("Cost of goods sold")	43,916.28	77.52%	35,576.88	77.28%
Employee benefits expense	6,255.19	11.04%	5,451.29	11.84%
Finance costs	964.33	1.70%	830.27	1.80%
Depreciation and amortisation expense	2,242.14	3.96%	1,815.56	3.94%
Other expenses	2,536.26	4.48%	1,890.91	4.11%
Total	55,914.20	98.70%	45,564.91	98.98%
Profit before tax	734.43	1.30%	471.63	1.02%
Total Tax Expense/(Benefit)	78.66	0.14%	-29.42	-0.06%
Profit after tax	655.77	1.16%	501.05	1.09%

Total income

Total income increased from ₹46,036.54 to ₹56,648.63 between FY 2023 and FY 2024 indicating 23.05% growth in FY 2024. Growth has been contributed by matured stores and new stores.

Cost of goods sold

Cost of goods sold increased from ₹35,576.88 to ₹43,916.28 between FY 2023 and FY 2024, reflecting a 23.44% increase in FY 2024. Increase in cost of goods is in line with the increase in revenue from operations.

Employee benefit expenses

Employee benefit expenses increased from ₹5,451.29 to ₹6,255.19 reflecting a 14.75% increase in FY 2024. This incremental cost is mainly driven by general increments in salaries.

Finance costs

Finance costs increased from ₹830.27 to ₹964.33 reflecting a 16.15% increase in FY 2024, driven by increase in interest on lease liabilities primarily on account of new stores added during the year FY 2024.

Depreciation and amortization expenses

Depreciation and amortisation expenses increased from ₹1,815.56 to ₹2,242.14 reflecting a 23.50% increase in FY 2024, primarily due to addition of new stores.

Other expenses

Other expenses increased from ₹1,890.91 to ₹2,536.26 reflecting a 34.13% increase in FY 2024, primarily driven by increase in electricity, communication expenses and other operational expenses primarily on account of addition of new stores.

Total tax expenses

Tax expenses for FY 2024 is ₹78.66 (FY 2023 is ₹29.42) reflecting a 367.37% increase in FY 2024, driven by deferred tax benefit on account of recognition of unexpired portion of tax incentive available on under Section 80JJAA.

Profit after tax

Company's overall profit in FY 2024 is ₹655.77 (FY 2023 is ₹501.05) indicating 30.88% growth in FY 2024 in comparison to FY 2023.

Key balance sheet items

	FY 2024	FY 2023	% change yoy
Property, plant and equipment	3,185.71	2,883.35	10.49%
Inventories	13,402.34	11,440.87	17.14
Cash and Bank balances including bank deposits	1,701.84	2,887.90	-41.07%
Trade payables	2,530.35	2,601.44	-2.73%
Trade receivables	175.04	86.51	102.33%
Total equity (Shareholders funds/ networth)	15,773.59	14,905.01	5.83%

Key financial ratios

	FY 2024	FY 2023	% change yoy
Inventory Turnover (Days)	86.97	91.63	-5.08%
Interest Coverage Ratio	1.76	1.57	12.34%
Current Ratio	2.98	3.11	-4.07%
Debtors Turnover (Days)	1.14	0.69	63.94%
Operating Profit Margin	3.02%	2.86%	5.72%
Net Profit Margin	1.17%	1.10%	6.05%
Return on Net Worth	4.28%	3.45%	24.06%

Explanation of the ratios

- Inventory turnover ratio measures the efficiency with which a Company utilises or manages its inventory. It establishes the relationship between revenue from operations and inventory held during the period. It is calculated by dividing the inventory with revenue from operations and multiplied by 365 days.
- Interest Coverage Ratio measures how many times a company can cover its current interest with its available earnings. It is calculated by dividing earnings before interest and tax by total finance cost. Current ratio indicates a company's overall liquidity position and measures company's ability to pay short-term obligations or those due within one year. It is calculated by dividing current assets by current liabilities.
- Debtors'(Trade receivables) turnover ratio measures the efficiency with which a Company utilises or manages its debtors. It establishes the relationship between revenue from operations and debtors held during the period. It is calculated by dividing the debtors with revenue from operations and multiplied by 365 days.
- Operating margin % - operating margin measures how much profit a company makes on a rupee of sales after paying for cost of goods sold, employee benefits expenses, other expenses and depreciation and amortization expenses, but before paying finance cost and tax. It is calculated by dividing EBIT by revenue from operations.
- Net profit margin % net profit margin measures how much net profit a company makes on a rupee of sales It is calculated by dividing a company's profit after tax by its revenue from operations.
- Return on Networth/ equity is a measure of profitability of a company expressed in percentage. It is calculated by dividing net profit by average net worth/ total equity.

Risk Management

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

Product perishability risk:

Unsold products lead to perished or expired products which can cost us a significant amount of money.

Mitigation:

We have agreements with the suppliers to take back the medicines after expiry.

Competition risk:

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

Mitigation:

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

Supply-chain risk:

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

Mitigation:

- The Company works only with quality suppliers and diversifies the sourcing partners for uninterrupted supply.
- We review our supply chain risk profile regularly.

Insufficient inventory risk:

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

Mitigation:

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

Internal control and adequacy

The Company has a strong internal control structure in place for its activities and operations. It continuously aims to integrate all aspects of the business, from basic operational activities to strategic support activities. We make sure that all of our methods adhere to established rules, practices 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

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

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

As an organization, we are committed to create a culture of providing an energetic, enabling, safe and open work environment for all our team members. We are also focused towards recruiting talents from different world-class institutions and nurturing& retaining them so that they can develop cross-functional expertise and deliver a high-quality experience for all our customers. Pursuant to requirement of para B(1)(h) of Schedule V of Listing Regulations, there are no such material developments.

Cautionary statement

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

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

BOARD'S **REPORT**

Dear Members,

Your directors have pleasure in presenting here the Eighteenth(18th) Annual Report of the Company along with the Audited Standalone and Consolidated Financial Statements and the Auditor's Report thereon for the financial year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

(₹ in Million)

Particulars	Standalone		Consolidated	
	2024	2023	2024	2023
Revenue from Operations	4,670.30	2,139.26	56,248.55	45,575.76
Other Income	72.93	162.39	400.08	460.78
Profit before Depreciation, Finance Costs, Exceptional Items and Taxation	396.13	294.38	3,940.90	3,117.46
Less: Depreciation and Amortization Expenses	241.70	153.07	2,242.14	1,815.56
Profit before Finance Costs, Exceptional Items and Taxation	154.43	141.31	1,698.76	1,301.90
Less: Finance Costs	84.02	65.45	964.33	830.27
Profit before Exceptional Items and taxation	70.41	75.86	734.43	471.63
Add: Exceptional Items	-	-	-	-
Profit before taxation	70.41	75.86	734.43	471.63
Less: Tax Expenses/(Benefit)	(25.40)	20.42	78.66	(29.42)
Profit for the year	95.81	55.44	655.77	501.05
Other Comprehensive Income/(loss) for the year	4.35	(3.56)	(0.55)	3.34
Total Comprehensive Income for the year	100.16	51.88	655.22	504.39

PERFORMANCE OF THE COMPANY

Your Company is the leading retail pharmacy Company. During the year the total income was ₹56,648.63 million. On standalone basis, your Company's revenue stood at ₹4,670.30 million in the FY 2023-24 as against ₹2,139.26 million in the corresponding previous year with a growth of 118.31 % from the previous year and on consolidated basis, the revenue stood at ₹56,248.55 million in the FY 2023-24 as against ₹45,575.76 million in the corresponding previous year with a growth of 23.42 %.

During the year, 670 stores were added to the cluster store network of the Company as compared to 1144 stores in the corresponding previous year. As on March 31, 2024, the Company's total fleet of stores is 4407 as compared to 3822 stores in the corresponding previous year.

The Diagnostics business is complementary to our Pharmacy business. The Company now has 12 Diagnostics Centers in Hyderabad. These are supported by over hundred sample collection centers. As on March 31, 2024, there were 133k active plans, covering 253k underlying lives.

TRANSFER TO GENERAL RESERVES

The Company has transferred ESOPs amount which were lapsed during the year ended March 31, 2024.

SHARE CAPITAL

As on March 31, 2024, the paid-up Equity Share Capital of the Company was ₹239.07 million, consisting of 11,95,36,952 equity shares of ₹2 each, there has been no change in paid up capital except change upto ₹0.46 million due to issuance of ESOP during the year under review on August 07, 2023, and December 22, 2023.

DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS

During the year, the Company has not made any investments. The loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 forms part of the notes to the financial statements provided in this Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

DIVIDEND

Your directors have not recommended any dividend for the financial year 2023-24.

DIVIDEND DISTRIBUTION POLICY

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Management Discussion and Analysis Report is set out in this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with Section 129(3) of Companies Act, 2013 and IND AS 110 and 111 as specified in Companies (Indian Accounting Standards) Rules, 2015 along with all relevant documents and the Auditors' Report which forms part of this Annual Report. Pursuant to Section 136 of the Act, the audited financial statements, including the Consolidated Financial Statement and related information of the Company and the separate financial statements of each of the subsidiary companies, are available on the Company's website at https://www.medplusindia.com/ .

BOARD POLICIES

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

POLICY ON PREVENTION OF SEXUAL HARRASMENT

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

EMPLOYEES STOCK OPTION SCHEME

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

SUBSIDIARIES

As on March 31, 2024, the Company is having seven direct subsidiaries i.e. Optival Health Solutions Private Limited ("OHSPL"), Wynclark Pharmaceuticals Private Limited ("WPPL"), Kalyani Meditimes Private Limited ("KMPL"), Clearancekart Private Limited ("CPL") MHS Pharmaceuticals Private Limited ("MHSPPL"), Nova Sud Pharmaceuticals Private Limited ("NSPPL") and MedPlus Insurance Brokers Private Limited ("MIBPL") and five step down subsidiaries which are Deccan Medisales Private Limited, ("DMPL"), Sai Sridhar Pharma Private Limited ("SSPPL"), Shri Banashankari Pharma Private Limited ("SBPPL"),Sidson Pharma Distributors Private Limited ("SPDPL"), and Venkata

Krishna Enterprises Private Limited ("VKEPL). There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

The statement containing the financial position of the subsidiary companies forms part of the Annual Report. The Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared the consolidated financial statements, which form part of this Annual Report. The statement also provides details of the performance and financial position of each of the subsidiaries, along with the changes that occurred during the year under review. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of its subsidiaries. The Policy for determining Material Subsidiaries is available on the Company's website: https://www.medplusindia.com/uploads/content/Policy-on-Material-Subsidiary.pdf. Further, a statement containing the salient features of the financial statements of subsidiaries in the prescribed format AOC-1 is appended as **Annexure-D** to the Board's Report. During the year under review, there were no subsidiary companies which ceased to be a subsidiary of the Company as per the Companies Act, 2013 ("Act").

MERGERS AND ACQUISITIONS

The Board of Directors has approved the Scheme of Amalgamation of MedPlus Health Services Limited (Transferor Company) with MHS Pharmaceuticals Private Limited, the subsidiary of the Company (Transferee Company) on January 9, 2023. The Company has filed an application to NCLT, Hyderabad for amalgamation. However, the Company has received approval of merger order from NCLT, Hyderabad Bench vide order ref no. CP (CAA) No. 02/230/HDB/2024 connected with CA (CAA) NO.55/230/HDB/2023 dated August 14, 2024.

INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

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

BOARD OF DIRECTORS

The Company is having six Board members comprising of Mr. Gangadi Madhukar Reddy, Managing Director and CEO, Dr. Cherukupalli Bhaskar Reddy, Whole Time Director and COO, Mr. Anish Kumar Saraf, Non-Executive Director, Mr. Murali Sivaraman, Non-Executive Independent Director, Mr. Madhavan Ganesan, Non-Executive Independent Director, and Ms. Hiroo Mirchandani, Non-Executive Independent Director (till July 4, 2024).

Dr. Cherukupalli Bhaskar Reddy appointed as additional director designated as Whole Time Director w.e.f. October 26, 2023, was approved by the members through Postal Ballot, on November 30, 2023 and Ms. Aparna Surabhi appointed as Additional Director (Non-Executive Independent) w.e.f. July 01, 2024 and Mr. Atul Gupta, Non-Executive Non-Independent (Nominee) Director, resigned from his position due to withdrawal of nomination by PI Opportunities Fund- I (Investor) as per terms of Shareholders Agreement w.e.f. September 26, 2023.

KEY MANAGERIAL PERSONNEL

Mr. Gangadi Madhukar Reddy, Managing Director and CEO, Dr. Cherukupalli Bhaskar Reddy, Whole Time Director and COO, Mr. Sujit Kumar Mahato, Chief Financial Officer and Mr. Manoj Kumar Srivastava, Company Secretary and Compliance Officer of the Company are the Key Managerial Personnel ('KMP') of the Company pursuant to the provisions of the Companies Act, 2013.

DECLARATION BY THE DIRECTORS AND INDEPENDENT DIRECTORS

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

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 Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule

6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

MEETING OF THE BOARD AND COMMITTEE

During the year under review, Twelve Board Meetings were held i.e. on May 11, 2023, May 25, 2023, August 07, 2023, September 21, 2023, October 05, 2023, October 11, 2023, October 26, 2023, November 08, 2023, December 22, 2023, February 2, 2024, February 21, 2024, and March 11, 2024. The details of meetings and attendance are provided in the Corporate Governance Report which forms part of this Annual Report. The maximum interval between two board meetings has not exceeded 120 days, as prescribed by the Act.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, one separate meeting of the Independent Directors was held during FY2024. Further details are mentioned in the Corporate Governance Report.

COMMITTEES OF THE BOARD

The Board of Directors has five committees i.e. Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholder's Relationship Committee. All committees are comprised of Independent Directors and Executive Directors.

During the year under review, the Risk Management Committee and Nomination and Remuneration Committee were reconstituted. The recommendations made by the committees were accepted and approved by the Board. A detailed composition and meetings of the Board and its committees are provided in the Corporate Governance Report, which forms part of this Annual Report.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors of the Company attended various orientation programme conducted by the Company from time to time. The details of the training and familiarization program held during the year under review are provided in the Corporate Governance Report. All the Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter of appointment, which also stipulates various terms and conditions of their appointment. Details of familiarization programme are available on the website of the Company: https://www.medplusindia.com/uploads/content/MEDPLUS_Familarisation%20Programme%20for%20Independendent%20Directors.pdf

BOARD EVALUATION

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

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

REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

The details as required, forms part of this Annual Report.

COMPANY'S POLICY ON APPOINTMENT OF DIRECTORS

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

ANNUAL RETURN

Pursuant to the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act , 2013, the Annual Return as on March 31, 2024 is available on the Company's website https://www.medplusindia.com/uploads/content/MedPlus_Draft%20Form_MGT_7_Annual_Return_FY2023-24.pdf

DIRECTOR'S RESPONSIBILITY STATEMENT

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

Pursuant to section 134(5) of the Companies Act, 2013, your Directors, 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 March 31, 2024, the applicable accounting standards have been followed along with proper explanation to material departures;

2. they had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024, and of the profit of the Company for that period;

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 that such Internal Financial Control are adequate and were operating effectively during the Financial Year ended March, 2024;

6. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the Financial Year ended March 31, 2024.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year and the date of this report, except, the Company has received approval of merger order from NCLT, Hyderabad Bench vide order ref no. CP (CAA) No. 02/230/HDB/2024 connected with CA (CAA) NO.55/230/HDB/2023 dated August 14, 2024.

INSOLVENCY PROCEEDING

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

ENTERPRISE RISK MANAGEMENT

The Company has formulated and implemented a Risk Management policy identifying the elements of risk. During the year under review, the Company has appointed Ernst &Young, LLP to develop a risk framework and various other risk factors and its mitigation plan. The Company acknowledges that risk is inherent in business and is dedicated to proactive and efficient risk management. Our organizational success depends on seizing opportunities while effectively managing risks. We employ a disciplined process to continually assess risks in both internal and external environments and mitigate their impact. Risk mitigation measures are integral to our strategic and operational planning.

The risk management Committee separately reviewed the same and recommend to the Board corrective actions from time to time. The Risk management Policy is available on the Company's website: https://www.medplusindia.com/uploads/content/Risk-Management-Policy.pdf

VIGIL MECHANISM

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

INTERNAL FINANCIAL CONTROLS

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

CORPORATE SOCIAL RESPONSIBILITY

The company has a detailed policy and various activities done by external agency. During the year under review, Two (2) Corporate Social Responsibility Committee meetings were held as per the requirement of the Companies Act and rules made thereunder. During the financial year 2023-24, it was noted that in view of the carry forward losses for the preceding financial years, the requirement of CSR Expenditure for the year 2023-24 is NIL and therefore no expenditure was made under CSR during the Financial Year 2023-24. The details of the composition of the committee and meetings held during the year are available in Corporate Governance Report.

The Company conducts its business responsibly, focusing on People, Planet, and Profit for sustainable practices and a better future. Committed to inclusive growth, MedPlus implements CSR initiatives primarily within India, prioritizing its operational areas to support marginalized and deprived communities, in collaboration with or independently of government efforts, the policy on CSR is available on https://www.medplusindia.com/uploads/content/CSR%20Policy.pdf.

SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively as issued by the Institute of Company Secretaries of India from time to time.

LISTING ON STOCK EXCHANGES

The Company's shares are listed on BSE Limited and National Stock Exchanges of India Limited. The details are provided in the Corporate Governance Report which forms part of the Annual Report.

RISK MANAGEMENT

In terms of the provisions of Section 134 of the Companies Act, 2013, the Risk Management is set out in the Annual Report.

EVENT SEBSEQUENT TO FINANCIAL'S APPROVAL DATE

The Board of Directors upon recommendation of the Nomination and Remuneration Committee, appointed Ms. Aparna Surabhi (DIN: 01641633) as an Additional Director (Non-Executive Independent) w.e.f. July 01, 2024, and recommended to the Members, her appointment for a term of 5(five) consecutive years.

AUDITORS' REPORT

The Auditors' Report for Financial year 2023-2024 does not contain any qualification, reservation, or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditors' Report for Financial year 2023-2024 does not contain any qualification, reservation, or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure-E** to the Board's Report, which forms part of this Annual Report.

The Auditor's certificate confirming compliance with conditions of corporate governance as stipulated under Listing Regulations, for financial year 2023-2024 is enclosed as **Annexure-K** to the Corporate Governance Report, which forms part of this Annual Report.

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

STATUTORY AUDITORS

B S R and Co has been appointed for a term of five(5) consecutive years from the conclusion of the 17th Annual General Meeting (AGM) until the conclusion of the 22nd Annual General Meeting (AGM) of the Company to be held in the Calendar year 2028 as required under Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) rules, 2014.

SECRETARIAL AUDITORS

R & A Associates, Practicing Company Secretaries (FCS: 4020, CP No:2224) were appointed to undertake the

Secretarial Audit of the Company as required under section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in term of Regulation 24A of SEBI Listing Regulations by the Board of Directors on August 02, 2024 for Financial Year 2024-25.The Secretarial Audit Report is annexed to this Board's Report as **Annexure-E**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

INTERNAL AUDITORS

In terms of Section 138 of Companies Act, 2013 and the Companies (Accounts) Rules, 2014 M/s. Ernst & Young LLP was appointed as Internal Auditors of the Company for a period of five(5) years effective from August 07, 2023.

SECRETARIAL AUDIT AND IT'S REPORT OF MATERIAL UNLISTED SUBSIDIARY

During the year under review, the Company is having two material subsidiary companies i.e. Optival Health Solutions Private Limited ("OHSPL"), and Venkata Krishna Enterprises Private Limited ("VKEPL").

The Secretarial Audit Report for the Financial year 2023-24 pursuant to section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations issued by R & A Associates, the Practicing Company Secretaries (CP No:2224) (FCS 4020) is attached as **Annexure-E** to this Report.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year 2023-24 for all applicable compliances as per Securities and Exchange Board of India Regulations, Circulars, Guidelines and Secretarial Standards issued by ICSI thereunder.

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

COST RECORDS AND COST AUDIT

Maintenance of cost records as specified by Central Government and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is applicable for the business activities carried out by the Company. M/s. M P R & Associates(FRN: 000413) has been appointed as Cost Auditor of the Company for FY 2023-24, have submitted their report. Further, they were appointed on August 02, 2024 at a remuneration of 1,30,000 (Rupees One Lakh Thirty Thousand only) for conducting the cost audit for FY 2024-25, subject to ratification of remuneration by members of the Company in the forthcoming Annual General Meeting of the Company. They have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their Independent status and an arm's length relationship with the Company.

PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. As on March 31, 2024, the Company had 23,415 employees on consolidated basis. The Managing Director and CEO of the Company has not received any remuneration or commission from any of the subsidiary company. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage of increase in remuneration etc. along with the disclosure in relation to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Companies Act, 2013 are annexed as **Annexure-F** to this Report.

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.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT ('BRSR')

As per SEBI Circular/ Notification and the guidelines, framework issued by National Guidelines on Responsible Business Conduct (NGRBC) read with Regulation 34(2)(f) of SEBI Listing Regulations it is necessary to submit the Business Responsibility and Sustainability Report (earlier BRR Report) which forms part of this Annual Report.

ENVIRONMENT SUSTAINABILITY AND GOVERNANCE

The Company has launched ESG Vision 2030. The focus is to steadfast on leveraging technology to battle climate change, water management and waste management. On the social front, the emphasis is on the development of people, especially in the areas of digital skilling, improving diversity and inclusion, facilitating employee wellness and experience, delivering technology for good and energizing the communities we work in. We are also redoubling our efforts to serve the interests of all our stakeholders, by leading through our core values and setting benchmarks in corporate governance.

CORPORATE GOVERNANCE REPORT

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

ENVIRONMENT, HEALTH AND SAFETY

The Company has embedded Environment, Health and Safety Standards throughout the Organization and across its value chain. The Company's Environment, Health and Safety practices confirms to applicable local laws as well as ethical business standards. Your Company acknowledges its social responsibility and accountability towards the 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 resources surrounding it.

INDUSTRIAL RELATIONS

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

GENERAL DISCLOSURE

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme save and except Employees Stock Option Schemes (ESOS) referred to in this Report.
3. 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).
4. There has been no change in the nature of business of your Company.

VALUATION

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

ACKNOWLEDGEMENT

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

For **MedPlus Health Services Limited**

Sd/-
Gangadi Madhukar Reddy
Chairman, MD & CEO
DIN: 00098097

Place: Hyderabad
Date: August 02, 2024

ANNEXURE A

Form No. AOC–2

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

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

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

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2024, which were not at arm length basis.

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

   There were no material contracts or arrangements or transactions at arms length basis for the year ended March 31, 2024.

For and on behalf of the Board

Sd/-

Gangadi Madhukar Reddy

Chairman & Managing Director

DIN: 00098097

Place: Hyderabad

Date: August 02, 2024

ANNEXURE B

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/corporate.jsp . These policies are reviewed periodically and are updated as and when needed. During the year, the Company 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 was implemented through the Whistle Blower Policy to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.	There were no changes in the policy during the Financial Year 2023-24.
Nomination and Remuneration Policy	The Nomination & Remuneration Policy of Directors, Key Managerial Personnel (KMP) and Senior Management ("Policy) of the Company is formulated under the requirements of applicable laws, including the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations"). The Policy is intended to set out criteria for determining qualifications, positive attributes and independence of a director and to pay equitable remuneration to the Directors, Key Managerial Personnel (KMP), Senior Management (as defined below) and other employees of the Company, and to harmonize the aspirations of human resources with the goals of the Company.	There were no changes in the policy during the Financial Year 2023-24.
Code of Conduct for Directors and Senior Management Personnel	The Board of your Company has laid down two separate Codes of Conduct, one for all the Board Members and the other for Employees of the Company. This Code is the central policy document, outlining the requirements that the employees working for and with the Company must comply with, regardless of their location.	There were no changes in the policy during the Financial Year 2023-24.
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".	There were no changes in the policy during the Financial Year 2023-24.
Code of Conduct on Insider Trading	The CEO/MD has, with the approval of Board of Directors, formulated this Code of Conduct on Insider Trading ("the code") to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons pursuant to Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Due to various regulatory changes, Code of Conduct on Insider Trading ("the code") was revised in the Board Meeting held on November 8, 2023. Further, penalty clause of the code is revised on December 22, 2023 and February 2, 2024.
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.	There were no changes in the policy during the Financial Year 2023-24.

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
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.	There were no changes in the policy during the Financial Year 2023-24.
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.	There were no changes in the policy during the Financial Year 2023-24.
Policy on evaluation of Performance	The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviors in consonance with the Company's Code of Conduct policy for its employees and also for the Board of Directors. The Company has made this policy to comply with various provisions of the Companies Act, 2013 and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.	The Policy is aligned as per the evaluation criteria followed during the Financial Year 2023-24.
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.	Aligned as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act.
Preservation of Documents	This policy is framed by the Board of Directors at its meeting held on November 14, 2015 in pursuance to Regulation 9 of the SEBI LODR Regulations, 2015, on preservation of the Records to aid the employees in handling the Documents efficiently. It not only covers the various aspects on preservation of the Records, but also beneficial for the safe disposal/destruction of the Documents and keeping a record of the same with the objective of classifying various documents, records and registers for the purpose of maintenance and preservation. The Company believes in promoting a fair, transparent, ethical and professional work environment and this Policy aims to preserve Documents /Records maintained by the Company either in Physical Mode or Electronic Mode.	The Policy is aligned as per the evaluation criteria followed during the Financial Year 2023-24.
Policy on Board Diversity	The Policy sets out the approach to have a diverse Board of the Company in terms of thought, experience, knowledge, perspective and gender in the Board, based on the applicable laws, rules and regulations applicable to the Company pursuant to SEBI Listing Regulations.	The Policy is aligned as per the evaluation criteria followed during the Financial Year 2023-24.
Dividend Distribution Policy	The Dividend Distribution Policy as per Regulation 43A of the Listing Regulations, 2015 is available on the Company's website on https://www.medplusindia.com/pdf/Policy-on-Dividend-Distribution.pdf	There were no changes in the policy during the Financial Year 2023-24.

Name of the Policy	Brief description	Summary of key changes made to the Policies during the year
Policy on materiality	This policy requires the Company to make disclosure of events or information which are material to the Company as per the requirements of Regulation 30 of the Listing Regulations.	The amendments in regard to SEBI circular July 13, 2023, disclosure with respect to events for which timelines have been specified in Part A of Schedule of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made within such timelines as provided in SEBI circular.
Policy on Material Subsidiary	The policy is used to identify material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.	There were no changes in the policy during the Financial Year 2023-24.
Terms and conditions of appointment of Independent Directors	This document is used to identify and demarcate the terms and conditions of appointment of independent directors.	There were no changes in the policy during the Financial Year 2023-24.
Succession Planning	The Company recognizes the importance of the process to succession planning to provide for continuity in the smooth functioning of the organization. There are certain positions in the Company that are key to its current and future growth. It is, therefore, important that these positions are assigned to duly skilled and best possible incumbents. It is critical to fill up such positions well in time to avoid any leadership gap. The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy") pursuant to Regulation 17(4) of SEBI (LODR) Regulations, 2015 which mandates the need for a succession policy and has listed succession planning as key function of the Board of Directors.	The Policy is aligned as per the evaluation criteria followed during the Financial Year 2023-24.
Risk management Policy	A risk management policy has been framed for increasing stakeholder value, which attempts to identify the key events / risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks pursuant to Section 134(3) of Companies Act and Regulation 17 of SEBI(LODR) Regulations, 2015.	The Policy is aligned as per the evaluation criteria followed during the Financial Year 2023-24.
Corporate Social Responsibility Policy	A Corporate Social Responsibility Policy has been framed to support responsible and sustainable initiatives, while taking care of the concern of people, planet and profit. To develop social wealth for the communities we engage with. Promote efficient usage of scarce resources, encourage green energy initiatives and develop innovative solutions to fulfil the vision by stepping beyond the mandatory provisions.	The policy was adopted in the meeting of Board of Directors held on August 07, 2023.

ANNEXURE C

Details of Employee Stock Options under ESOP 2009 and ESOP 2021 under Section 62 of the Companies Act, 2013 read with rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2024:

Sr. No.	Particular	Under ESOP 2021	Under ESOP 2009
1.	Number of options outstanding at the beginning of the period	10,37,758	389
2.	Number of options Granted during the period	16,967	Nil
3.	Number of options Vested during the period	2,35,253	149
4.	Number of options Exercised during the period	2,31,276	238
5.	Number of options Lapsed/Cancelled/Forfeited during the period	48,374	-
6.	Exercise Price a. Variation in terms of option	₹232 ₹541.98 & ₹628 Not Applicable	₹10 to ₹1,06,618 Not Applicable
	b. the total number of shares arising as a result of exercise of option	2,31,276	1,09,598
	c. money realized by exercise of options	5,36,56,032	1,86,38,380
	d. total number of options in force	7,75,075	151
7.	Employee wise details of Options Granted to:		
	(i) Key Managerial Personnel; • Manoj Kumar Srivastava – Company Secretary	16,967	NA
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	NA	NA
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NA	NA

The details of the Company's stock option schemes as required under regulation 14 of the SEBI (Shared Based Employee Benefits and Sweat Equity) Regulations, 2021, are available on the Company's website: https://www.medplusindia.com/uploads/content/Disclosure%20under%20Regulation%2014%20of%20SEBI%20(SBEB%20and%20SE)%20Regulations,%202021.pdf

ANNEXURE D

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

(Statement containing salient features of the financial statement of subsidiaries) PART A – Information on Subsidiaries

(₹ in Millions)

Sr. No	Particular	Clearancekart Private Limited (CPL)	Kalyani Meditimes Private Limited (KMPL)	MHS Pharmaceuticals Private Limited (MHSPPL)	Nova Sud Pharmaceuticals Private Limited (NSPPL)	Optival Health Solutions Private Limited (OHSPL)	Wynclark Pharmaceuticals Private Limited (WPPL)	Deccan Medisales Private Limited (DMPL)	Sai Sridhar Pharma Private Limited (SSPPL)	Shri Banashankari Pharma Private Limited (SBPPL)	Sidson Pharma Distributors Private Limited (SPDPL)	Venkata Krishna Enterprises Private Limited (VKEPL)	MedPlus Insurance Brokers Private Limited (MIBPL)
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	05-01-2012	29-09-2009	20-09-2014	01-03-2016	03-01-2011	14-07-2022
2	Reporting period	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24	2023-24
3	Reporting currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
4	Share capital/ Partner's capital account	0.10	59.00	70.10	68.60	2,098.02	140.77	2.10	0.24	2.10	40.10	0.18	20.00
5	Reserves & surplus	(0.16)	(74.65)	148.14	(3.78)	9,994.63	37.13	75.57	163.47	(1.33)	40.00	273.92	0.90
6	Net worth	(0.06)	(15.65)	218.24	64.82	12,092.65	177.90	77.67	163.71	0.77	80.10	274.10	20.90
7	Total assets	-	9.82	238.60	65.20	26,560.85	187.85	193.28	626.45	0.90	199.36	537.72	22.64
8	Total liabilities	0.06	25.47	20.36	0.38	14,468.20	9.95	115.61	462.74	0.13	119.26	263.62	1.74
9	Investments	-	-	-	-	-	-	-	-	-	-	-	-
10	Turnover (including other income)	0.01	0.08	7.22	28.18	55,730.82	434.85	1,636.43	4,447.25	0.10	1,600.73	4,983.12	9.99
11	Turnover (Excluding other income)	-	-	-	-	55,384.00	433.92	1,636.34	4,447.18	-	1,597.45	4,982.58	9.18
12	Profit/(Loss) before taxation	(0.01)	(9.20)	(1.24)	2.94	610.91	42.29	9.93	24.68	(0.03)	11.60	50.91	1.93
13	Provision for taxation	-	-	0.40	0.75	91.84	10.85	2.58	6.26	-	3.00	13.15	0.23
14	Profit/(Loss) after taxation	(0.01)	(9.20)	(1.64)	2.19	519.07	31.44	7.35	18.42	(0.03)	8.60	37.76	1.70
15	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
16	**% of shareholding**	**100%**	**88.04%**	**100%**	**100%**	**99.99%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	Nil

For **MedPlus Health Services Limited**

Sd/-

Gangadi Madhukar Reddy
Chairman & Managing Director
DIN: 00098097

Place: Hyderabad
Date: August 02, 2024

ANNEXURE E

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

(Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015.

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 (CIN: L85110TG2006PLC051845)**, (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2024, 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 2024, according to the provisions as maybe applicable to the Company of:

I. The Companies Act, 2013 and (hereinafter collectively referred to as "the Act") and the rules made thereunder.

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

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein collectively referred as "Listing Regulations")

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

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

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

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit period)**

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

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

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.

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

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

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

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

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

(e) Telangana Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002.

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

We further report that:

- The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors during the period under review as stated above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices were given to all directors to schedule Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice for which necessary consent has been sought at the meeting.
- 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. Video conference facilities/other audio-visual means are used as and when required to facilitate the directors at other locations to participate in the meeting.
- Majority of the decisions at board and/or committee meetings are carried out unanimously as recorded in the minutes of the meetings of the board of directors or respective committee of the board, as the case may be.

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

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

1. The alteration of the articles of association of the Company was approved by the members through special resolution passed via postal ballot on 18th June 2023 to delete the existing clause 105A and insert new clauses 102B and 102C.

2. The members of the Company approved the extension of benefits of the Employees Stock Option Plan 2021 ("ESOP Scheme 2021") to employees of subsidiary companies through special resolution passed via postal ballot on 18th June 2023.

3. Mr. Atul Gupta resigned from his position of non-executive non-independent director of the Company, with effect from 26th September 2023.

4. The members of the Company approved the appointment of M/s. B S R and Co (FRN: 128510W) as the statutory auditor of the Company at the annual general meeting held on 29th September 2023.

5. The board of directors of the Company, in their meeting held on 11th October 2023, approved the raising of funds through the issuance of securities via Qualified Institutions Placement (QIP) or any other permissible mode. The members of the Company subsequently approved this through special resolution passed via postal ballot on 30th November 2023. However, the Board of Directors of the Company, in their meeting held on 21st February 2024, approved the decision not to proceed with fund raising through the issuance of securities.

6. The board of directors of the Company, in their meeting held on 26th October 2023, appointed Dr. Cherukupalli Bhaskar Reddy (DIN: 00926550) as an additional whole-time director of the Company. Subsequently, the members of the Company approved his appointment as whole-time director through special resolution passed via postal ballot on 30th November 2023.

7. The alteration of the articles of association of the Company was approved by the members through special resolution passed in the annual general meeting on 29th September 2023, to insert new clause 102A for nomination rights of promoters.

8. The board of directors of the Company, in their meeting held on 07th August 2023 approved the allotment of 46,478 equity shares of the face value of ₹2/- each at a premium of ₹230/- per share to the employees of the Company and its subsidiary Company under ESOP Scheme 2021.

9. The members and trade creditors of the Company, in their meetings held on 15th December 2023, approved the scheme of amalgamation between the Company and its wholly owned subsidiary, MHS Pharmaceuticals Private Limited and their respective shareholders and creditors.

10. The board of directors of the Company, in their meeting held on 22nd December 2023 approved the allotment of 184,798 equity shares of the face value of ₹2/- each at a premium of ₹230/- per share to the employees of the Company and its subsidiary Company under ESOP Scheme 2021.

For **R & A Associates**
Company Secretaries

Rashida Hatim Adenwala
Founder Partner
M.No. 4020
C.P. No.: 2224
UDIN: F004020F000846081

Place: Hyderabad
Date: August 02, 2024

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

ANNEXURE A

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

For **R & A Associates**
Company Secretaries

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

Place: Hyderabad
Date: August 02, 2024

FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2024, 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, 2024 according to the provisions as maybe applicable to the Company of:

i. The Companies Act, 2013 (hereinafter collectively referred to as "the Act") and the rules made thereunder.

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

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

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

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

   c. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein collectively referred as "Listing Regulations"); **(Not applicable to the Company during the Audit period)**

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

   e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit period)**

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

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

   h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit period)**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. **(Not applicable to the Company during the Audit period)**.

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

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

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

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.

vi. Based on the representation by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, we further report that the Company has obtained the required licenses under the following applicable laws, except for some of its stores and warehouses wherein the license are to be renewed:

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

b. The Food Safety and Standards Act, 2006.

We further report that:

- The Board of Directors of the Company is duly constituted with the balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors during the period under review as stated above.
- Adequate notice was given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice for which necessary consent has been sought at the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority of the decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

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

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

1. The Members of the Company approved the re-appointment of M/s. B S R and Co (FRN: 128510W) as the Statutory Auditor of the Company at the Annual General Meeting held on 28th September 2023.
2. Alteration of the object clause of the Memorandum of Association of the Company vide resolution passed in the annual general meeting dated 28th September 2023 in respect of insertion of additional sub-clauses.
3. Alteration of the Article of Association of the Company vide resolution passed in the annual general meeting dated 28th September 2023 in respect of removal of clause 99 to 119 of Part B.
4. Resignation of Ms. Shilpi Keswani (ACS-41303) from the post of Company Secretary of the Company with effect from 07th February, 2024.

For **R & A Associates**
Company Secretaries

Rashida Hatim Adenwala
Founder Partner
M. NO.: 4020
C.P. No. 2224
UDIN: F004020F000846191

Place: Hyderabad
Date: August 02, 2024

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

ANNEXURE-A

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

For **R & A Associates**
Company Secretaries

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

Place: Hyderabad
Date: August 02, 2024

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and 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, 2024, 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, 2024, according to the provisions as applicable to the Company of:

i. The Companies Act, 2013 (hereinafter collectively referred to as "the Act") and the rules made thereunder.

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder; **(Not applicable to the Company during the Audit period)**

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

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

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

   c. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein collectively referred as "Listing Regulations") **(Not applicable to the Company during the Audit period)**

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

   e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including amendments thereof; **(Not applicable to the Company during the Audit period)**

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

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

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit period)**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit period)**

j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. **(Not applicable to the Company during the Audit period)**.

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

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

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

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.

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

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

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

We further report that:

- The Board of Directors of the Company is duly constituted with the balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Directors during the period under review as stated above.
- Adequate notice was given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice for which necessary consent has been sought at the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority of the decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

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

We further report that, during the audit period 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 Hatim Adenwala
Founder Partner
M. NO.: 4020
C.P. No. 2224
UDIN: F004020F000868675

Place: Hyderabad
Date: May 26, 2024

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

ANNEXURE-A

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

For **R & A Associates**
Company Secretaries

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

Place: Hyderabad
Date: May 26, 2024

ANNEXURE-F

DETAILS OF REMUNERATION

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

The remuneration of each Director, Chief Financial Officer and Company Secretary, percentage increase in their remuneration during the Financial Year 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:

Sr. No.	Name of Director / KMP	Designation	% increase in remuneration in FY 2023-24	Ratio of remuneration of each Director to median remuneration
1	Mr. Gangadi Madhukar Reddy	Managing Director and CEO	-	16
2	Dr. Cherukupalli Bhaskar Reddy***	Whole - Time Director and COO	-	45
3	Mr. Anish Kumar Saraf	Non-Executive Director	-	-
4	Mr. Atul Gupta*	Non-Executive Director	-	-
5	Mr. Madhavan Ganesan	Non-Executive Independent Director	-	8
6	Mr. Murali Sivaraman	Non-Executive Independent Director	-	7
7	Ms. Hiroo Mirchandani**	Non-Executive Independent Director	-	9
8	Mr. Sujit Kumar Mahato	Chief Financial Officer	2.86%	55
9	Mr. Manoj Kumar Srivastava	Company Secretary & Compliance Officer	-	19

* upto September 26, 2023 **upto July 4, 2024 ***w.e.f. October 26,2023

OTHER INFORMATION:

I.	The percentage decrease in the median remuneration of employees in the FY 2023-24	0.64%
II.	The number of permanent employees on the rolls of the Company as on 31 March 2024	1160
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 increase in salaries of employee other than managerial personnel was 10.35% whereas Average percentile increases in salaries of managerial personnel was 7.30%
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 2023-24

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 utilizing 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 million)**	
i)	Foreign Exchange inflow	0.19
ii)	Foreign Exchange outflow	65.82

CORPORATE **GOVERNANCE REPORT**

Company's Philosophy on Corporate Governance:

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

BOARD OF DIRECTORS:

COMPOSITION:

The Board of Directors, along with its committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected. As on March 31, 2024, the Board is having six (6) Directors comprising a Managing Director and CEO (Executive Director), one Executive Director, one Non-Executive Non-Independent Directors ('NED'), and there are three Non-Executive Independent Directors ('IDs') including one Independent Woman Director. The same is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ('Act'). The Board periodically evaluates the need for a change in its composition and size. A detailed profile of our directors is available on our website: https://www.medplusindia.com/corporate.jsp

DIRECTORS DETAILS AS ON MARCH 31, 2024:

Name of Director	Category	Date of First Appointment	No. of shares held	No of Directorships in other Public Companies		#No of Committee positions held in other Public Companies	
				Total No	Name of Listed Companies	Chairmanship	Membership
Mr. Gangadi Madhukar Reddy	Chairman, CEO and Managing Director	30.11.2006	1,53,50,400	1	-	-	1
Dr. Cherukupalli Bhaskar Reddy	Whole Time Director and COO	26.10.2023	7,89,831	1	-	-	1
Mr. Anish Kumar Saraf	Non-Executive Non-Independent Director	06.02.2021	-	4	Kalyan Jewellers India Ltd.*	1	3
Mr. Murali Sivaraman	Non-Executive Independent Director	11.06.2021	-	6	Bharat Forge Ltd**	0	4
					Huhtamaki India Ltd.**		
					ICICI Lombard General Insurance Company Ltd**		
					Pidilite Industries Limited**	-	-
					Welspun Living Limited**	-	-
Mr. Madhavan Ganesan	Non-Executive Independent Director	11.06.2021	5000	2	Sagar Cements Ltd.*	0	2

Name of Director	Category	Date of First Appointment	No. of shares held	No of Directorships in other Public Companies		#No of Committee positions held in other Public Companies	
				Total No	Name of Listed Companies	Chairmanship	Membership
Ms. Hiroo Mirchandani ##	Non-Executive Independent Director	05.07.2021	-	4	Tata Teleservices (Maharashtra) Ltd.**	1	3
					Crompton Greaves Consumer Electricals Ltd.**		

*Non-Executive Non-Independent Director **Non -Executive Independent Director

#The information as stated pertains to only Audit Committee and Stakeholders' Relationship Committee.

##completed tenure on July 04, 2024

The Board of Directors at its meeting held on July 01, 2024, appointed Ms. Aparna Surabhi as an Additional Director (Non-Executive Independent).

None of the Directors hold offices in more than ten public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than seven listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than seven listed companies as required under Regulation 17A of the SEBI Listing Regulations, 2015. The Managing Director & CEO does not serve as an Independent Director in any listed company.

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

Appointment and Tenure of the Directors

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

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

Board Meeting Procedure:

The Board of Directors and its Committee meetings are pre-scheduled and an annual calendar of the said meetings is circulated to all the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings. However, in case of a special or an urgent business need, the Board's approval is taken at a specially convened meeting or by circular resolution, in which case it is ratified at the subsequent Board meeting. The Board Meeting is conducted at least once in every quarter to discuss the performance of the Company and its quarterly financial results, along with other matters, as the Board may deem necessary. The Board also meets to consider other businesses, from time to time whenever required. The agenda of the business to be transacted at the Board Meeting along with explanatory notes thereto are drafted and circulated well in advance to the Board of Directors of the Company. The Company always ensures that Board members are presented with all the relevant information on vital matters affecting the working of the Company including the information as interalia specified under Part A of Schedule II of Regulation 17(7) of the Listing Regulations. In compliance of provisions of Companies Act, 2013 and Rules made thereunder the video-conferencing facility is provided to enable the Directors to present and attend the meeting at other locations to be able to participate in the meetings. The gap between the two Board Meetings did not exceed 120 days. The necessary quorum was present throughout the meeting in all the Board Meetings.

Board Meetings and Attendance of Directors:

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

Name of Directors	Date and Attendance of the Meeting												%age of attendance	Last AGM attended
	May		Aug	Sep	Oct			Nov	Dec	Feb		March		
	11, 2023 (1)	25, 2023 (2)	07, 2023 (3)	21, 2023 (4)	05, 2023 (5)	11, 2023 (6)	26, 2023 (7)	08, 2023 (8)	22, 2023 (9)	02, 2024 (10)	21, 2024 (11)	11, 2024 (12)		
Mr. Gangadi Madhukar Reddy	√	√	√	√	√	√	√	√	√	√	√	√	100%	√
Dr. Cherukupalli Bhaskar Reddy**	NA	NA	NA	NA	NA	NA	NA	√	√	√	√	√	100%	-
Mr. Anish Kumar Saraf	√	√	√	√	√	√	√	√	-	√	√	√	91.67%	√
Mr. Atul Gupta*	-	√	√	√	NA	NA	NA	NA	NA	NA	NA	NA	75%	-
Mr. Murali Sivaraman	√	√	√	√	√	√	√	√	√	√	√	√	100%	√
Mr. Madhavan Ganesan	√	√	-	√	√	√	√	√	√	√	√	√	91.67%	√
Ms. Hiroo Mirchandani#	√	√	√	√	√	√	√	√	√	√	√	√	100%	√

* resigned and relieved w.e.f. September 26, 2023, ** appointed w.e.f. October 26, 2023, # completed tenure on July 04, 2024

Particulars of Senior Management Personnel

During the year under review, Mr. Surendranath Mantena, Chief Operating Officer of MedPlus Mart, resigned due to personal reasons, w.e.f. December 25, 2023. There were no other changes in the SMP and KMP of the Company.

Disclosure of Director's INTER-SE Relationship:

There is no inter-se relationships between the Directors or KMPs.

Remuneration to Directors and KMP:

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

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

B) Remuneration:

During the year under review, the remuneration paid to the directors and KMPs are given below:

(₹ in millions)

Name of Director/KMP	Designation	Salary and Perquisites			Commission	Sitting fees	Total
		Fixed Pay	Perquisites	Retirement Benefits			
Mr. Gangadi Madhukar Reddy	Managing Director & CEO	4.00	-	0.20	-	-	4.20
Dr. Cherukupalli Bhaskar Reddy	Whole Time Director & COO	5.01	-	0.20	-	-	5.21
Mr. Anish Kumar Saraf	Non-Executive Non-Independent Director	-	-	-	-	-	-
Mr. Murali Sivaraman	Non-Executive Independent Director	-	-	-	-	1.80	1.80
Mr. Madhavan Ganesan	Non-Executive Independent Director	-	-	-	-	1.90	1.90
Ms. Hiroo Mirchandani*	Non-Executive Independent Director	-	-		-	2.10	2.10
Mr. Sujit Kumar Mahato	Chief Financial Officer	13.71	7.22	0.04	-	-	20.97
Mr. Manoj Kumar Srivastava	Company Secretary and Compliance Officer	5.01	0.47	0.01	-	-	5.48

*Completed her tenure on July 04, 2024

There is no pecuniary relationship or transactions with the Non-Executive Directors other than those mentioned above.

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

Stock Option details:

During the year under review, no options under the Company's ESOP plan 2009/2021 were granted to any Executive/Non-Executive Directors of the Company, the details of ESOPs, are stated in Directors' Report which is a part of this Annual Report.

The Brief Profile of Directors of the Company are as under:

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

Mr. Anish Kumar Saraf is a Chartered Accountant from the Institute of Chartered Accountants of India. He holds a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. Currently he is Managing Director of Warburg Pincus India Private Limited and has been associated with them for 16 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 is a Cost Accountant from 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 ICICI Lombard General Insurance Company Limited.

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 35 years of experience in various companies in the retail, technology and the industrial sectors.

Dr. Cherukupalli Bhaskar Reddy has done MBBS from Kurnool Medical College, Andhra Pradesh in the year 1992, MS in Gen-Surgery from Manipal Academy of Higher Education (MAHE), Mangalore in the year 1997 and FRCS from Edinburgh (UK) in the year 2003. He is associated with the Company/ group since inception of the Company. He was overseeing the recruitment, training, expansion of the business and having rich experience of more than two decades in the field of retail pharmacy, business strategy, building the leadership and making company towards process driven establishment. Presently, he is looking after the pharmacy operations of the Company.

Mr. Atul Gupta holds a bachelor's degree in technology from the Indian Institute of Technology, Bombay and a master's degree in business administration from the Walter A. Haas School of Business, University of California, Berkeley. He is employed as an investment partner at Premji Invest and leads investments in technology enabled sectors including consumer-tech, health-tech, fin-tech and enterprise tech. He has more than 15 years of experience in the investment industry. Mr. Atul Gupta stepped down from directorship w.e.f. September 26, 2023, due to withdrawal of nomination by PI Opportunities Fund-I (Investor) as per terms of Shareholders Agreement. The Board of Directors is thankful for the contribution made by him to the company.

Ms. Hiroo Mirchandani has decade-long Board experience of 12 diverse boards in consumer goods, healthcare, financial services, telecom, and hospitality sectors. She is currently, a Non-Executive Independent Director on the boards of Tata Teleservices (Maharashtra) Ltd., Crompton Greaves Consumer Electricals Ltd. and Piem Hotels Ltd. She chairs the Audit Committee of Tata Teleservices and till recently chaired the Nomination & Remuneration and CSR committees of MedPlus Health Services Ltd. Ms. Hiroo completed her term as Independent Director on July 4, 2024 and the Board of Directors is thankful for the contribution made by her to the company.

Prior to her career on boards, Ms. Mirchandani held customer - facing roles for over 30 years in P&L Management, Marketing and Sales. She advanced from being Branch Manager at Asian Paints, Marketing Head at Dabur and Jewellery Director at World Gold Council to Business Unit Director and Executive Committee member at Pfizer. Ms. Hiroo Mirchandani holds a bachelor's degree in commerce from Shri Ram College of Commerce and an MBA from the Faculty of Management Studies, Delhi University. She is also a Chevening Gurukul scholar from the London School of Economics.

Ms. Aparna Surabhi is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and B.Com. and LLB from Bombay University. She is having 33 years of rich experience in the field of audit, finance, HR, etc. She honed her skills while practicing as a Chartered Accountant at S. Aparna & Co., Chartered Accountants from 1991 to 2019. She is working as Chief Financial Officer (CFO) and Chief Human Resources Officer (CHRO) at Caliber Technologies Private Limited. She is involved in Corporate Social Responsibility (CSR) activities. Her leadership extends beyond corporate responsibilities; she served as the first female chairperson of the Hyderabad branch of the Institute of Chartered Accountants of India (ICAI) during 2006-07.

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 at a global level**	**Providing support and guidance in relation to information technology upgradation of the organization as a whole**	**Experience in mitigation of risk by actively getting involved in the risk management of the organization**	**Exposure in managing the sales and marketing needs of the sector adequately.**	**Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company and protecting stakeholders' interest**
Mr. Gangadi Madhukar Reddy	√	√	√		√		√	√
Dr. Cherukupalli Bhaskar Reddy**	√	√		√	√	√	√	√
Mr. Anish Kumar Saraf		√	√	√	√	√	√	√
Mr. Atul Gupta*		√	√	√	√	√	√	√
Mr. Murali Sivaraman		√	√	√	√	√	√	√
Mr. Madhavan Ganesan		√	√	√	√	√	√	√
Ms. Hiroo Mirchandani#	√	√	√	√	√	√	√	√
Ms. Aparna Surabhi##	√	√	√	√	√	√	√	√

Note: * resigned and relieved w.e.f. September 26, 2023, ** appointed Whole Time Director w.e.f. October 26, 2023, # completed tenure on July 04, 2024, ## appointed Additional Director (Non-Executive Independent) w.e.f. July 01, 2024.

Board of Directors and Selection Process:

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

Succession Planning

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

Board Support

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

Confirmation and Certification

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

Board Independence

Pursuant to section 149(6) of the Act and Regulation 16 of Listing Regulations, the Independent Directors to provide an annual confirmation that they meet the criteria of independence. Based on the confirmations/ disclosures received from the Directors and on evaluation of the relationships disclosed, supported by a certificate from R & A Associates, Practicing Company Secretaries, as per the requirement of Regulation 25(9) of the Listing Regulations, the Board confirms, that the Independent Directors fulfill the conditions as specified under Schedule V of the Listing Regulations and are independent of the Management. The Board includes three Independent Directors as on March 31, 2024.

Director's Induction and Familiarization Program:

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

Independent Directors:

Pursuant to Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) the Independent Directors are Non-Executive Directors of the Company. Ms. Aparna Surabhi (DIN: 01641633) was appointed as an Additional Director (Non-Executive Independent) w.e.f. July 01, 2024, and Ms. Hiroo Mirchandani Non-Executive Independent Director (DIN: 06992518) completed her tenure on July 04, 2024.

Confirmation of Independence of Independent Directors:

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

Meeting of Independent Directors:

During the year under review, pursuant to Schedule IV of the Companies Act, 2013 and as per Regulation 25(3) of the Listing Regulations, one meeting of Independent Directors of the Company was held on March 11, 2024. The Independent Director reviewed the performance of the Board as a whole as well as that of Non-Independent Directors and the Chairman by considering the views of Executive and Non-Executive Directors. They also access the quality, quantity, effectiveness and promptness of the flow of information between the Company's management and the Board. They periodically meet with the Statutory Auditors and the Internal Auditors without the presence of the management to understand the overall quality of audit, quality of financials, key financial matters and corrective actions to be taken for strengthening the internal controls of the Company and their general feedback.

Performance Evaluation of Independent Director:

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

Code of Conduct for Director and Senior Management:

The Company has adopted and laid down a Code of Conduct and Ethics (the "Code") for all the Board Members and Senior Management including Non-Executive Directors and Independent Directors of the Company. The Board has suitably incorporated the duties of independent directors as per provisions of the Companies Act, 2013 ("the Act"). The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance. 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 as **Annexure-H**. The Code is available on the website of the Company https://www.medplusindia.com/uploads/content/Remedy-Code-of-Conduct-for Directorsand-Senior-Management.pdf .

The Committee of the Board:

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

Audit Committee:

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

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

Composition of Audit Committee:

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

Sr. No.	Name	Category	Designation	Date and Attendance of meeting						% age
				May 25, 2023	Aug 7, 2023	Sept 21, 2023	Nov 8, 2023	Feb 2, 2024	March 11, 2024	
1	Mr. Murali Sivaraman	Non-Executive Independent Director	Chairman	√	√	√	√	√	√	100%
2	Mr. Madhavan Ganesan	Non-Executive Independent Director	Member	√	-	√	√	√	√	83.33%
3	Ms. Hiroo Mirchandani#	Non-Executive Independent Director	Member	√	√	√	√	√	√	100%
4	Mr. Anish Kumar Saraf	Non-Executive Non-Independent Director	Member	√	√	√	√	√	√	100%

*Mr. Gangadi Madhukar Reddy and Dr. Cherukupalli Bhaskar Reddy were invited and attended all the meetings.

*The Audit Committee invited the CFO and all other stakeholders as and when required.

#Completed tenure on July 04, 2024.

Mr. Manoj Kumar Srivastava, Company Secretary of the Company, acted as Secretary of the Committee.

Note: Ms. Aparna Surabhi (DIN: 01641633) was appointed as Additional Director (Non-Executive Independent) w.e.f. July 01, 2024, and became the member of above reconstituted committee w.e.f. July 12, 2024.

Nomination and Remuneration Committee:

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

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

Composition of Nomination and Remuneration Committee:

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

Sr. No	Name	Category	Designation	Date and Attendance of meeting					
				May 26, 2023	Aug 07, 2023	Oct 26, 202	Dec 22, 2023	Jan 11, 2024	%age
1	Ms. Hiroo Mirchandani#	Non-Executive Independent Director	Chairperson	√	√	√	√	√	100%
2	Mr. Madhavan Ganesan	Non-Executive Independent Director	Member	-	√	√	√	√	80%
3	Mr. Murali Sivaraman	Non-Executive Independent Director	Member	√	√	√	√	√	100%
4	Mr. Atul Gupta*	Non-Executive Non-Independent Director	Member	√	√	NA	NA	NA	100%
5	Mr. Gangadi Madhukar Reddy**	Managing Director & CEO	Member	NA	NA	NA	√	NA	100%

* resigned and relieved on September 26, 2023.

#Completed tenure on July 04, 2024.

**Appointed as permanent invitee thereafter.

Note: Ms. Aparna Surabhi (DIN: 01641633) was appointed as Additional Director (Non-Executive Independent) w.e.f. July 01, 2024, and became member of above reconstituted Committee w.e.f. July 12, 2024.

Mr. Manoj Kumar Srivastava, Company Secretary of the Company acted as Secretary of the Committee.

Stakeholder Relationship Committee:

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

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

Composition of Stakeholders' Relationship Committee:

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

Sr. No	Name	Category	Designation	Date and Attendance of meeting		
				Aug 07, 2023	Mar 11, 2024	%age
1	Mr. Madhavan Ganesan	Non-Executive Independent Director	Chairman	√	√	100
2	Ms. Hiroo Mirchandani#	Non-Executive Independent Director	Member	√	√	100
3	Mr. Gangadi Madhukar Reddy	Managing Director & CEO	Member	√	√	100

#Completed tenure on July 04, 2024.

Mr. Manoj Kumar Srivastava, Company Secretary of the Company, acted as Secretary of the Committee.

Shareholder's Complaint Statement:

The details of investor complaints received / redressed during the financial year 2023-24 are as under:

Complaints as on 01/04/2023	Received during the year	Resolved during the year	Pending as on 31/03/2024
NIL	7	7	NIL

Risk Management Committee:

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

1. To formulate a detailed risk management policy for identification of internal and external risk and measures for risk mitigation.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

2. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

3. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

4. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee.

Composition of Risk Management Committee:

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

Sr. No.	Name	Category	Designation	Date and Attendance of the Meeting			
				April 03, 2023	Sep 21, 2023	March 11, 2024	%age
1	Mr. Madhavan Ganesan	Non-Executive Independent Director	Chairman	√	√	√	100%
2	Ms. Hiroo Mirchandani#	Non-Executive Independent Director	Member	√	√	√	100%
3	Mr. Gangadi Madhukar Reddy	Managing Director & CEO	Member	√	√	√	100%
4	Dr. Cherukupalli Bhaskar Reddy	Whole Time Director & COO	Member	NA	NA	√	100%
5	Mr. Murali Sivaraman	Non-Executive Independent Director	Member	NA	NA	√	100%
6	Mr. Venu Gopal Siripuram*	Chief Technology Officer	Member	NA	√	NA	100%

*Ceased to be a member w.e.f. November 08, 2023. #Completed tenure on July 04, 2024.

Note: Ms. Aparna Surabhi (DIN: 01641633) was appointed as Additional Director (Non-Executive Independent) w.e.f. July 01, 2024, and became member of above reconstituted Committee w.e.f. July 12, 2024.

Mr. Manoj Kumar Srivastava, Company Secretary of the Company, acted as Secretary of the Committee.

Corporate Social Responsibility Committee:

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

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

Composition of Corporate Social Responsibility Committee:

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

Sr. No.	Name	Category	Designation	Date and Attendance of the Meeting		
				Aug 07, 2023	March 11, 2024	%age
1	Ms. Hiroo Mirchandani#	Non-Executive Independent Director	Chairperson	√	√	100%
2	Mr. Madhavan Ganesan	Non-Executive Independent Director	Member	√	√	100%
3	Mr. Gangadi Madhukar Reddy	Managing Director & CEO	Member	√	√	100%

#Completed tenure on July 04, 2024.

Note: Ms. Aparna Surabhi (DIN: 01641633) was appointed as Additional Director (Non-Executive Independent) w.e.f. July 01, 2024, and became member of above reconstituted Committee w.e.f. July 12, 2024.

Mr. Manoj Kumar Srivastava, Company Secretary of the Company, acted as Secretary of the Committee.

SUBSIDIARY COMPANIES:

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

General Body Meeting:

Annual General Meeting:

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

FY	Date & Time	Venue	Special Resolution
2020-21	Sep 30, 2021, at 03:00 PM	Registered Office: 707, 7th Floor, 5-9-13 Taramandal Commercial Complex, Saifabad Hyderabad – 500004, Telangana, India	No special resolution was passed.
2021-22	Sep 26, 2022, at 04.00 PM	Registered Office: H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally Hyderabad TG 500037 through Video Conferencing/ other Audio Video Means facility.	1. Alteration in Articles of Association 2. Ratification of MedPlus Employees Stock Option and Shares Plan 2009 3. Ratification of MedPlus Employees Stock Option and Shares Plan 2021.
2022-23	Sep 29, 2023, at 03.30 PM		1. Alteration in Articles of Association of the Company – Insertion of Article 102 A for Nomination Rights of Promoters.

Postal Ballot:

During the year under review, the following special resolutions were passed and voting pattern proposed/ passed through Postal Ballot are as under:

Item No.	Type of Resolution	Board Meeting	Voting Commencement Date	Voting End Date	Result
1	Extending benefits of Employee Stock Option Plan 2021 to the employees of Subsidiary Company(ies)	May 11, 2023	May 20, 2023	June 18, 2023	Passed with requisite majority
2	Alteration of Articles of Association by insertion of new Article 102-A				Did not receive requisite majority
3	Alteration of Articles of Association by insertion of new Article 102-B				Passed with requisite majority
4	Alteration of Articles of Association by insertion of new Article 102-C				Passed with requisite majority
5	Alteration of Articles of Association by insertion of new Article 102-D				Did not receive requisite majority
6	To consider and approve raising of funds and issuance of securities through Qualified Institutions Placement basis or through any other permissible mode as may be decided.	October 26, 2023	November 1, 2023	November 30, 2023	Passed with requisite majority
7	Appointment of Dr. Cherukupalli Bhaskar Reddy (DIN: 00926550) as a Whole-time director of the company.				Passed with requisite majority

Procedure for postal ballot:

The postal ballot notice was circulated through e-mail to all the members. KFin Technologies Limited, Registrar & Transfer Agent of the Company, has provided facility for voting through e-voting, and Ms. Rashida Adenwala, PCS worked as scrutinizer for conducting the Postal Ballot.

Court Convened Meetings

During the year under review, following special resolution was passed and voting pattern proposed/ passed through Postal Ballot are as under:

Item No.	Type of Resolution	Meeting	Meeting and voting result date	Result
1	To consider and approve the Scheme of Amalgamation of MHS Pharmaceuticals Private Limited ("Transferor Company") with MedPlus Health Services Limited ("Transferee Company/ Company") and their respective shareholders and creditors:	Equity Shareholders Trade Creditors	December 15, 2023	Passed with requisite majority

Whistle Blower Policy & Vigil Mechanism:

MedPlus believes in the conduct of affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and is committed to developing a culture where it is safe for all employees to raise concerns about any unacceptable practice or any event of misconduct. The employees are encouraged to voice their concerns by way of Whistle Blowing. The Policy provides an avenue to every employee and every person as defined therein to report concerns directly to the Management or to the Chairperson of the Audit Committee. The Company Secretary and HR Head is the designated officer for effective implementation of the Policy and dealing with the complaints registered under the Policy. All cases, registered under the Whistle Blower Policy of the Company, are reported to the Chairperson of Audit Committee and are subject to the review of the Audit Committee. The Company affirms that no personnel has been denied access to the Audit Committee. During the year under review, there were no qualified whistleblower complaint. The Whistle Blower Policy is available on the website of the Company at https://www.medplusindia.com/uploads/content/Whistle%20Blower%20Policy.pdf

Policies of the Company:

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

Name of the policy	Website link
Policy for Materiality Event and Disclosure	https://www.medplusindia.com/uploads/content/Policy%20on%20Materiality.pdf
Policy on Material Subsidiary	https://www.medplusindia.com/uploads/content/Policy-on-Material-Subsidiary.pdf
Board Diversity Policy	https://www.medplusindia.com/uploads/content/Policy-on-Board-Diversity.pdf
Policy on succession planning for Board and Senior Management	https://www.medplusindia.com/uploads/content/Succession-Plan.pdf
Nomination and Remuneration Policy	https://www.medplusindia.com/uploads/content/Nomination-and-Remuneration-Policy.pdf
Dividend Distribution Policy	https://www.medplusindia.com/uploads/content/Policy-on-Dividend-Distribution.pdf
Fair Disclosure Code under Insider Trading	https://www.medplusindia.com/uploads/content/Fair-Disclosure-Code.pdf
Business Responsibility Policy	https://www.medplusindia.com/uploads/content/Business_Responsibility_Policy.pdf
Archival Policy	https://www.medplusindia.com/uploads/content/Archival-Policy.pdf
Policy on preservation of documents	https://www.medplusindia.com/uploads/content/Policy-for-Preservation-of-Documents.pdf
Risk Management Policy	https://www.medplusindia.com/uploads/content/Risk-Management-Policy.pdf
Policy on materiality of Related Party Transaction and Dealing with Material Related Party Transactions.	https://www.medplusindia.com/uploads/content/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf
Policy on Related Party Transaction	https://www.medplusindia.com/uploads/content/Related-Party-Transaction-Policy.pdf
Policy on evaluation of performance of Independent Directors and the Board of Directors	https://www.medplusindia.com/uploads/content/Policy-on-Evaluation-of-Performance.pdf

Means of Communication:

i. Quarterly Financial Results

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

ii. News Releases, Presentations

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

iii. Analysts/Investors presentations/Official news releases

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

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

Circulation of Annual Report:

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

General Shareholder information:

Company Registration Details:

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

Annual General Meeting:

The Eighteenth Annual General Meeting of the company for the financial year 2023-24 is scheduled to be held as under:

Date	**Thursday, September 26, 2024**
Venue (Registered Office)	Video conferencing / facilitated at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, (Moosapet), Kukatpally, Hyderabad - 500 037, Telangana, India.
Time	03:30 PM (IST)

Registrar and Share Transfer Agent:

M/s KFin Technologies Limited is acting as Registrar & Share Transfer Agent (RTA) of the Company. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitates better and faster services to the investors. The address of RTA and for all correspondence 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 7961 1000
Email: einward (dot) ris (at) kfintech (dot) com
Website: www.kfintech.com
Android Mobile App: KPRISM

Company Secretary and Compliance Officer:

Mr. Manoj Kumar Srivastava
Corporate and Regd Office: H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, (Moosapet), Kukatpally, Hyderabad - 500 037, Telangana, India.
Email: cs (at) medplusindia (dot) com
Contact No. +91-040-6724-6724

Dividend Payment:

The Company has not declared dividend during the year under review.

During the year under review, the securities of the Company were not suspended from trading.

Listing Information:

(a) Stock Exchanges:

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

Annual listing fees for the year 2023-24 and 2024-25 have been paid by the Company to NSE & BSE.

(b) Depositories:

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
Trade World, A Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.	Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013

Plant Locations:

The details of Plant Locations are given below:

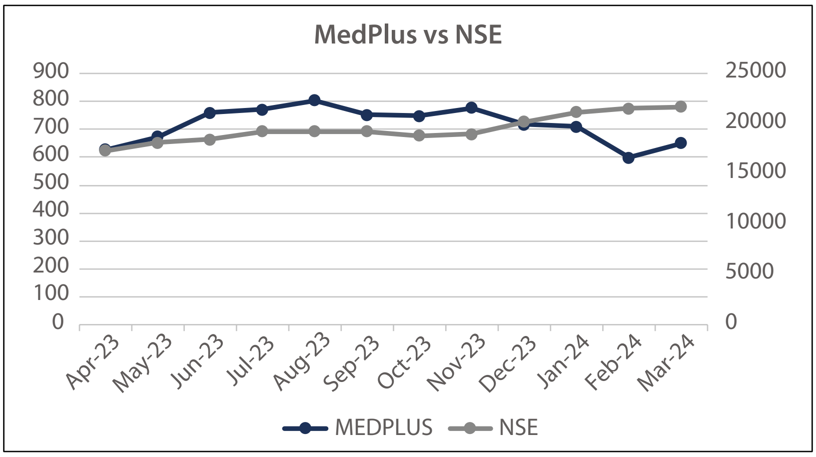
1. Kallakal Factory	2. Shamirpet Factory	3. Pashamylaram Factory	4. Pashamylaram Factory	5. Moosapet Factory
Survey No. 394, 402, 412 and 413, Kallakal Village, Toopran Mandal, Tupran, Medak, Telangana, 502334	Ground Floor and First Floor, Door No. 6-9, Survey No.323, Babaguda Village, Shamirpet Mandal,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

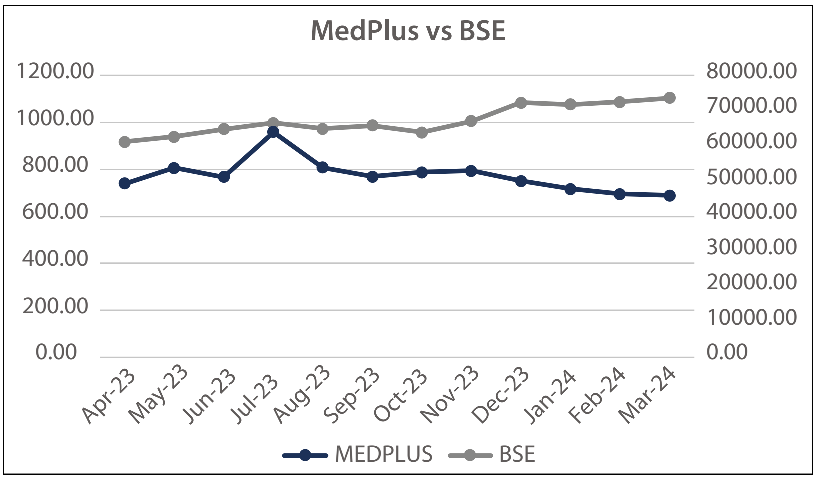
Market Price Data:

a) Market Price Data

Month - Year	BSE			NSE		
	High (₹)	Low (₹)	Close (₹)	High (₹)	Low (₹)	Close (₹)
April'23	750.00	627.35	739.55	756.35	627.00	739.55
May'23	864.65	674.00	806.75	865.00	673.50	811.95
June'23	847.15	755.60	767.40	847.35	760.05	774.90
July'23	977.45	771.20	958.90	978.00	771.20	959.05
August'23	967.45	804.50	808.30	968.95	804.50	811.40
September'23	854.20	752.95	768.85	839.00	752.00	768.85
October'23	825.60	750.00	787.75	825.40	747.70	791.40
November'23	849.30	770.10	794.55	849.00	777.85	797.20
December'23	813.20	717.15	751.30	804.95	717.30	750.75
January'24	760.30	709.60	716.95	756.60	709.75	716.60
February'24	727.05	597.95	695.70	727.00	598.60	696.15
March'24	709.45	650.10	689.45	710.00	650.10	687.85

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





Share Transfer Process:

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

Dematerialization of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialized segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the Equity Share is INE804L01022. As on March 31, 2024, 11,94,87,812 Equity Shares (constituting 99.96% of the total paid up share capital) were in dematerialized form. The Company's Equity Shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

Credit Ratings:

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

Other Disclosures:

Disclosure in relation to the Sexual Harassment:

The Company is committed to ensure that all the employees work in an environment that is inclusive and provides an opportunity to bring their best selves at workplace. The Company is also committed to provide a work environment that ensures every person is treated with dignity, respect and fair treatment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's office and take appropriate decision in resolving such issues. To build awareness in this area, the Company has been conducting induction/ refresher programs in the organization on a continuous basis. During the year, your Company organized a program for all employees.

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

Disclosure of Accounting Treatment:

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

Compliance with the Code of Conduct:

Pursuant to Regulation 34 (3) and Schedule V of the Listing Regulations, all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2024. The same forms part of this report as **Annexure-H**.

CEO / CFO Certificate:

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

Certification of Non-Disqualification of Directors:

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

Certificate on Corporate Governance:

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

Disclosure of materially significant Related Party Transactions:

During the financial year 2023-24, the Company has not entered into any materially significant related party transaction, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management or their relatives other than the transactions carried out in the normal course of business. The related party transactions are disclosed in Notes to Accounts. A copy of the policy on dealing with related party transactions is available on the Company's website i.e. https://www.medplusindia.com/uploads/content/Policy-on-Materiality-of-and-Dealing-with-Related-Party-Transactions.pdf

Code of Conduct for Prevention of Insider Trading:

Pursuant to the provisions of the SEBI Insider Trading and 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.

Disclosure by Senior Management Personnel

The Senior Management Personnel of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personal interest that may have a potential conflict of interest with the Company at large.

Fees paid to Statutory Auditors:

During the year under review, the company has paid ₹9.83 million , which includes fee of ₹0.05 million for other services availed paid/payable by the Company and its Subsidiaries to M/s. B S R and Co, Statutory Auditors of the company. Please refer to the Notes to accounts, for the details of fees paid by the Company to the Statutory Auditors for the financial year 2023-24.

Policy for determining Material Subsidiary:

The Company has adopted a policy for determining a material subsidiary, in terms of which a subsidiary shall be considered as Material, if, the income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. In terms of the said policy, our Company has 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 unlisted 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 Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

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

Fund raised and utilization through preferential:

During the year under review, the company has taken approval of the shareholders by way of Postal Ballot to raise the fund upto ₹1000 crores as per voting results dated November 30, 2023. However, the company has not raised any funds through preferential allotment or qualified institutional placement hence requirement, specified under Regulation 32(7A) of listing regulation is not applicable to the Company.

Disclosure of Loans and Advances:

Please refer the financial statements of the Company.

Outstanding GDRs/ADRs/Warrants or any convertible instruments:

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

Commodity price risk or foreign exchange risk and hedging activities.

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

Reconciliation of Share Capital Audit Report:

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

Compliance with mandatory and discretionary requirements:

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

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

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

Detail of Material Subsidiary; Name and date of appointment of Statutory Auditors:

Sr. No.	Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Name and date of appointment of Statutory Auditor
1	Optival Health Solutions Private Limited	11/07/2005	Hyderabad	M/s B S R and Co, the Statutory Auditors was appointed on September 28, 2023
2	Venkata Krishna Enterprises Private Limited	01/11/2010	Hyderabad	M/s GPHK &Associates, the Statutory Auditors was appointed on July 10, 2024

Secretarial Audit

The Secretarial Audit Report of the Company for the year ended March 31, 2024, issued by Ms. Rashida Adenwala, (C.P. No.: 2224; M. No. 4020), R & A Associates, Practicing Company Secretaries forms part of the Board's Report as **Annexure-E**. As on March 31, 2024, none of the subsidiaries of the Company except Optival Health Solutions Private Limited and Venkata Krishna Enterprises Private Limited qualified to be material unlisted subsidiaries. Further, pursuant to the provisions of Regulation 24A of SEBI Listing Regulations, the secretarial audit report of material unlisted subsidiaries forms part of the Boards' Report as **Annexure-E**.

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

During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company. Pursuant to requirement of disclosure under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations, there are no agreements that required to be disclosed.

In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Directors, Promoter(s) & members of Promoter(s) Group and Senior Managerial Personnel have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

Declaration on Code of Conduct

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

I hereby certify that the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Ethics and Business conduct for the financial year 2023-24.

For **MedPlus Health Services Limited**

Gangadi Madhukar Reddy
CEO and Managing Director
DIN: 00098097

Place: Hyderabad
Date: August 02, 2024

The Distribution of Shareholding as on March 31, 2024, is as follows:

Category of share-holder (I)	Nos. Of share-hold-ers (II)	No. of fully paid-up equity shares held (III)	Total nos. shares held (IV)	Sharehold-ing as a % of total no. of shares (calcu-lated as per SCRR, 1957) (V) As a % of (A+B+C1)	Number of Voting Rights held in each class of securities (VI)				Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (VII) As a % of (A+B+C1)	Number of Locked in shares (VIII)		Number of Shares pledged or otherwise encumbered (IX)		Number of equity shares held in demateri-alized form (X)
					No of Voting Rights			Total as a % of (A+B+C)		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
					Class eg: X	Class eg: y	Total							
Promoter & Promoter Group (A)	3	4,82,80,627	4,82,80,627	40.39	4,82,80,627	-	4,82,80,627	40.39	40.39	-	-	2,61,53,991	54.17	4,82,80,627
Public (B)	74,972	7,11,37,959	7,11,37,959	59.51	7,11,37,959	-	7,11,37,959	59.51	59.51	-	-	-	-	7,10,88,819
Non-Promoter-Non-Public (C)														
Shares held by Employee Trusts (C1)	1	1,18,366	1,18,366	0.10	1,18,366	-	1,18,366	0.10	0.10	-	-	-	-	1,18,366
Total	**74,976**	**11,95,36,952**	**11,95,36,952**	**100**	**11,95,36,952**	**-**	**11,95,36,952**	**100.00**	**100**	**-**	**-**	**2,61,53,991**	**54.17**	**11,94,87,812**

ANNEXURE - H

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

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

I, Gangadi Madhukar Reddy, Managing Director and Chief Executive Officer of MedPlus Health Services Limited hereby confirm that all the Members of the Board and the Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended March 31, 2024, in accordance with the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/
Gangadi Madhukar Reddy
Chairman, MD & CEO
DIN: 00098097

ANNEXURE - I

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

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

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

Dear Sir/ Madam,

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

A. We have reviewed financial statement and the cash flow statement for the year ended March 31, 2024, and that to the best of our knowledge and belief:

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

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

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024, which are fraudulent, illegal or violative of the Company's Code of Conduct.

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

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

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

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

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

Sd/-
Gangadi Madhukar Reddy
Managing Director & CEO

Sd/-
Sujit Kumar Mahato
Chief Financial Officer

Place: Hyderabad
Date: May 28, 2024

ANNEXURE - J

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
MedPlus Health Services Limited,

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify as on date that, none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2024, have been debarred or disqualified from being appointed or continuing as directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

S. No	Name of Director	DIN
1.	Gangadi Madhukar Reddy	00098097
2.	Anish Kumar Saraf	00322784
3.	Atul Gupta	06940578 (ceased w.e.f. September 26, 2023)
4.	Murali Sivaraman	01461231
5.	Madhavan Ganesan	01674529
6.	Cherukupalli Bhaskar Reddy	00926550 (appointed w.e.f. October 26, 2023)
7.	Hiroo Mirchandani	06992518 (ceased w.e.f. July 05, 2024)

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R & A Associates**
Company Secretaries

Rashida Hatim Adenwala
Founder Partner
M. No: F4020
C. P. No: 2224
UDIN: F004020F000846103

Place: Hyderabad
Date: August 02, 2024

ANNEXURE - K

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

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

To
The Members of
MedPlus Health Services Limited,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by **MedPlus Health Services Limited** for the year ended 31st March 2024 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as per the Listing Agreement entered into the by the said Company with stock exchange.

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

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

We state that in respect of investor grievances received during the year ended 31st March 2024, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R & A Associates**
Company Secretaries

Rashida Hatim Adenwala
Founder Partner
M. No: F4020
C. P. No: 2224
UDIN: F004020F000846136

Place: Hyderabad
Date: August 02, 2024

Annexure II

BUSINESS RESPONSIBILITY & **SUSTAINABILITY REPORT**

(Business Responsibility and Sustainability Report (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2023-2024
1	Corporate Identity Number (CIN) of the Listed Entity	L85110TG2006PLC051845
2	Name of the Listed Entity	MedPlus Health Services Limited
3	Year of incorporation	30/11/2006
4	Registered office address	H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally Hyderabad TG 500037 IN
5	Corporate address	H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally Hyderabad TG 500037 IN
6	E-mail	cs@medplusindia.com
7	Telephone	040-62746274
8	Website	http://www.medplusindia.com/
9	Financial year for which reporting is being done	1st April 2023 to 31st March 2024
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Ltd
11	Paid-up Capital	₹239.07 Million
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Manoj Kumar Srivastava manoj.srivastava@medplusindia.com 040 -62746274
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis*
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

* MedPlus Health Services Limited ('MHSL' or 'MedPlus') being a retail pharmacy Company, has various retail outlets and other operations under Optival Health Solutions Private Limited ('OHSPL or Optival'). As ~ 90% of the operations are carried out through OHSPL, it has been included in the reporting boundary.

II. Products/services

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

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

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

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	**Retail Trade services:** Pharmaceutical products Medical and orthopedic goods	47721	99%
2.	**Other human health services:** Diagnostic-imaging services	86905	1%

III. Operations

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

Location	Number of plants	Number of offices	Total
National	5	4610	4615
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of Countries)	0
b. What is the contribution of exports as a percentage of the total turnover of the entity?	0
c. A brief on types of customers	

Being one of India's largest retail pharmacies, our customers are end use consumers of pharmaceutical products and fast-moving consumer goods. Our customers can reach out to us through physical stores and our omni-channel platform.

We offer a wide range of products, including:

(i) pharmaceutical and wellness products, including medicines, vitamins, medical devices and test kits,

(ii) fast-moving consumer goods, such as home and personal care products, including toiletries, baby care products, soaps and detergents, and sanitizers.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	**21716**	15340	70.64%	6376	29.36%
2	Other than Permanent (E)	**0**	0	0%	0	0%
3	**Total employees (D + E)**	**21716**	15340	70.64%	6376	29.36%
WORKERS						
4	Permanent (F)	**0**	0	0%	0	0%
5	Other than Permanent (G)	**0**	0	0%	0	0%
6	**Total workers (F + G)**	**0**	0	0%	0	0%

b. Differently abled Employees and workers:*

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

*MedPlus has no workers.

21. Participation/Inclusion/Representation of women

Particular	Total (A)	No. and percentage of Females No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	4	0	0%

22. Turnover rate for permanent employees and workers

Particular	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	45.39%	45.98%	**45.69%**	43.60%	42.10%	**43.21%**	34.02%	38.84%	**35.28%**
Permanent Workers	0	0	**0%**	0	0	**0%**	0	0	**0%**

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

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

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

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

a. Turnover (in Millions)	4743.23
b. Net worth (in Millions)	11726.30

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	7	0	-	122	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	15,613	0	-	16,872	0	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	-	-	-	-	-	-	-

* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	The Company's Policies are published on the Company's website under the Investors tab and may be viewed through the corporate governance portion of the company's website: https://www.medplusindia.com/corporate.jsp Furthermore, the Company's intranet has several internal policies.
Investors (other than shareholders)	
Shareholders	
Employees and workers	
Customers	
Value Chain Partners	
Other (please specify)	-

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

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

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Data Protection & Privacy	R	Safeguarding personal and health information holds paramount significance for an omnichannel healthcare pharmaceutical retail Company. As a pharma retailer, companies receive personal information from individuals through various sources. It is essential for company to prioritize the protection of patient and customer privacy, as well as their data.	The company protects its data from external threats by installing adequate firewalls. To avoid data loss or unforeseen breakdowns, the company inspects its internal IT systems on a regular basis.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Corporate Governance	R	Conducting business operations with transparency and integrity can help company to successfully attain its long-term financial and strategic goals. Evaluation is based on essential governance areas, encompassing ownership and control, board compensation, accounting practices, business ethics, and tax transparency.	The Company's Board is independent and diversified, having extensive experience and knowledge in a variety of industries, including retail, and has comprehensive governance protocols in place, including risk management, related party transactions, a whistleblower policy, dividend distribution policy, and so on. These policies are available over the Company's website.	Negative
3.	Access to affordable and quality healthcare	O	Improving patients' access to quality healthcare can help counter public health challenges. Affordable access to quality healthcare is a priority to customers across our markets along with employee safety. As one of the largest retail chains in the nation dispensing medications, also delivering other healthcare services, MedPlus is uniquely positioned to make an impact on healthcare access and affordability.	The Company constantly strives to provide quality medicines at affordable prices to its customers by expanding its network and building efficiencies in supply chain.	Positive
4.	Employee health, safety and wellbeing	O	The safety, health, and well-being of employees are of utmost importance to MedPlus as a healthcare service Company. By prioritizing the welfare of workforce, the Company can enhance employee morale and decrease expenses associated with onboarding new employees.	The company is continuously striving to offer a safe workplace for all of its employees, and it has policies in place such as POSH, equal opportunity, disciplinary action, leave, whistleblower policy, etc.	Positive
5.	Product Safety & Quality	R	Our utmost priority is the health and wellbeing of our patients. We prioritize rigorous safety standards to ensure that the products we sell, including their ingredients, meet the highest safety requirements. We also strive to maximize safety in pharmacy dispensing. The value of our brand relies on our ability to guarantee the safety and quality of pharmaceutical and healthcare products.	The Company sources the majority of its products directly from pharmaceutical manufacturers or authorized wholesalers, ensuring that customers receive authentic medicines. The Company ensures that the products which are sold under the Company's label are manufactured at reputed companies having a robust quality system.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Responsible Marketing	R	Responsible marketing means avoiding misleading claims, exaggerated promises, and other tactics that could deceive or mislead customers particularly in an industry where many rely on over-the-counter medicines. By prioritizing ethical and transparent marketing practices, MedPlus can reduce the risk and establish a positive reputation and build long-term relationships with customers.	The company strives to maintain transparent communication with its consumers and adheres to all regulatory requirements. The company has a strong process in place to screen all marketing materials internally and, if necessary, with external expertise. The company operates a customer helpline and continuously monitors consumer feedback.	Negative
7.	Responsible and ethical supply chains	R	Retail Pharmacy have a responsibility to ensure that products are procured through a licensed and lawful supply chain. Pharmacy systems should be specifically designed to ensure the secured and uninterrupted dispensing of medications. Implementing sustainable supply chain management practices can aid in identifying potential areas of high risk or sustainability concerns within the supply chain.	The Company purchases drugs directly from manufacturers or wholesalers, which reduces the possibility of pilferage or counterfeiting. Through its pharmacy shops, the company ensures that medicines are available and that dispensing is secure. The Company relies on its IT system to make this possible.	Negative
8.	Patient Health Outcomes	O	MedPlus, a leading pharmaceutical retailer, caters to millions of customers and patients on a daily basis. As an esteemed and innovative presence in the retail pharmacy sector, the Company operates approximately locations nationwide, playing a vital role in the healthcare ecosystem. Through its business operations, MedPlus promote medication adherence, thereby enhancing health outcomes and empowering patients to actively manage their wellbeing.	The Company ensures the availability of healthcare and authentic medications through its extensive network and online presence, and it remains committed to providing or making healthcare and other products affordable and available to all.	Positive
9.	Human Rights	R	Human rights encompass essential rights and freedoms that are universal and should be granted to all individuals. It is imperative that all colleagues and suppliers recognize this commitment and regularly evaluate their policies accordingly. Risk of non-compliance with human rights can lead to consequences, including legal actions, reputational damage, and loss of consumer trust.	The Company believes in providing equal opportunities to everybody, regardless of gender, caste, or physical limitations. The company has standards in place to ensure adherence during recruiting. The company creates a safe workplace for all employees, particularly female employees, and has procedures in place, such as POSH, to protect their interests.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Community engagement and partnerships	O	Thriving businesses are built upon the foundation of local communities. By actively engaging with these vital stakeholders, businesses aim to remove obstacles to access and address community needs, such as affordable prescription drugs. Recognizing and collaborating with these stakeholders is essential for business success and making a significant impact. Developing strong relationships with communities enables companies to minimize potential operational disruptions, mitigate regulatory risks, and maintain a solid social license to operate.	The company is continually striving to improve its service to customers by giving numerous schemes that make medication more affordable without sacrificing quality.	Positive
11.	Waste management	R	It is crucial for MedPlus to responsibly and sustainably handle operational hazardous waste such as medicine waste in stores, and non-hazardous waste embracing principles of the circular economy such as reduction, reuse, recycling, and composting. This is essential in mitigating the harmful effects of plastic and other waste in retail stores and distribution operations. Failure to comply with waste management regulations can result in substantial fines being imposed.	The Company assures the safe disposal of all hazardous material by utilizing third-party providers who specialize in hazardous waste disposal. The company has been looking for ways to reduce waste generation throughout the supply chain by pushing employees to use reusable packing materials such as plastic crates instead of carton boxes, etc.	Negative
12.	Energy use and climate impacts in Retail	R	With thousands of retail pharmacies, distribution centers, offices, and other facilities across the country, MedPlus run numerous establishments that consume energy, mainly for lighting and refrigeration. The continuous operation of several of these retail locations further escalates energy demand. Most of this energy is being consumed through conventional grids running on non-renewable sources resulting in emission and climate change.	The company procures energy-efficient electrical equipment and has begun to replace all lighting with energy-efficient LED lights. The Company is always monitoring and looking for ways to reduce energy use across its network.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Sr. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1. a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c	Web Link of the Policies, if available	https://www.medplusindia.com/corporate.jsp								
2	Whether the entity has translated the policy into procedures. (Yes / No/ NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	No	No	No	No	No	No	No	No	No
4	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	**P1:** We pledge to stand firm in our adherence to ethical practices, uphold transparency in all our dealings, and guarantee accountability for our actions, as delineated by our established policies. **P2:** We are undertaking numerous initiatives, and in the near future, we plan to conduct a comprehensive study to establish specific goals and targets. **P3:** We remain committed to ensuring that our employees and workers persistently receive benefits related to their health and safety. **P4:** We are currently implementing a variety of initiatives and planning to carry out a detailed study, which will assist us in setting clear and concrete goals. **P5:** We pledge to uphold our firm stand against discrimination, as directed by our existing policies. P**6:** We are currently engaged in numerous initiatives and plan to undertake a comprehensive study that will help us establish measurable goals and targets. **P7:** We pledge to ensure that our actions and engagements align responsibly with the guidelines set forth in our Code of Conduct. **P8:** We pledge to allocate our Corporate Social Responsibility (CSR) funds towards fostering societal development. **P9:** Our commitment to maintaining a customer-focused approach will persist.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	No	No	No	No	No	No	No	No	No

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

MedPlus is deeply committed to ensuring that its operations and practices are sustainable, inclusive, and responsible. We are firm believers that businesses must have a purpose other than profit, which includes environmental and social responsibilities. This concept serves as the cornerstone for our commitment to Environmental, Social, and Governance (ESG) principles, which help us create long-term value for our stakeholders. We are aware of our industry's sustainability problems, particularly in terms of energy use, waste output, and emissions. However, we see these problems as opportunities to innovate, grow, and inspire change, not only inside our firm, but throughout the industry and society as a whole.

We have made several initiatives to reduce our environmental effect. A primary aim has been to improve energy efficiency throughout our operations. We have begun the conversion of our traditional lighting to LED alternatives and will continue to invest in very energy-efficient equipment. We have also enhanced the administration of our air conditioning systems, ensuring that they are turned off when not in use. These solutions have already resulted in significant energy savings. Our commitment to sustainability extends to how we handle and reduce waste. We have put in place mechanisms to collect, manage, and recycle waste appropriately, and we are working with approved entities to do so.

We have also made steps to limit plastic waste, switching to paper bags in our stores and reusable cloth bags in our warehouses. Our trash reduction activities are yielding great results. Furthermore, we redesigned our supply chain to make it more efficient and localized. By procuring items from permitted local producers and carefully placing our warehouses, we have successfully reduced the distance things must be carried, resulting in lower fuel usage and emissions. As we continue on our sustainable path, we've worked with stakeholders to identify material topics, started emission calculations, and implemented environmental, health, and safety standards throughout the firm. Our dedication to our employees' wellbeing remains unshakable, as evidenced by rigorous health and safety procedures throughout our businesses.

In the future, we hope to deepen our market penetration, develop our omnichannel presence, boost private offers, provide customers with complementary services, and automate back-end operations. All of these actions maintain our commitment to sustainability while providing genuine medicines at a better value to clients. Our recent diagnostics investment broadens our service offerings, allowing us to lay a solid platform for long-term growth. While we are proud of our accomplishments, we recognize that there is much more work to be done. Sustainability is a journey, not a destination. We remain consistent in our commitment to continuously improving our methods, establishing more ambitious goals, and paving the way for sustainable and responsible business.

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

Best Regards,

Gangadi Madhukar Reddy
Managing Director and Chief Executive Officer
MedPlus

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

Cherukupalli Bhaskar Reddy
Whole-Time Director and Chief Operating Officer

9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA). Yes

If Yes please provide details

Gangadi Madhukar Reddy
Managing Director and Chief Executive Officer

10 Details of Review of NGRBCs by the Company

Subject for Review		Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Committee of the Board								
b.	Description of other committee for performance against above policies and follow up action	The Committee of the Board assesses the effectiveness of these policies and make any necessary amendments to the policies and procedures.								
c.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board								
d.	Description of other committee for compliance with statutory requirements of relevance to the principles and rectification	NA								

Subject for Review		Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Annually								
b.	Description of other committee for performance against above policies and follow up action	All policies are reviewed at least once in three years, and performance against some of these policies is typically evaluated as and when required. Policies are evaluated based on a variety of characteristics, including statutory obligations and the frequency specified in the policy document or on a need basis.								
c.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								
d.	Description of other committee for compliance with statutory requirements of relevance to the principles and rectification	NA								
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No, the internal auditors analyse procedures and compliances on a regular basis, and the Board is kept up to date on the status of compliance. Policies are routinely reviewed and amended by appropriate department or business heads, with permission from management, Board Committees, or the Board itself. An internal evaluation of the effectiveness of the BR policies was done. We do not have an external entity that has examined our policy.								
	If yes, provide name of the agency.	NA								

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	SEBI and regulatory amendments	100%
Key Managerial Personnel	1	SEBI and regulatory amendments	100%
Employees other than BOD and KMPs	639	• Pre IJP-Training • Content Updates • Box Mapping – POS • Hub – Web Order process - Store pickup • Hub process & web order dashboard • Hub Order Process • Mart Operation/Wed Order • MedPlus Advantage - Pharma Plan • Offline Web order/Web order dashboard/ Home Delivery Shipment Update Process • Web Order • Soft Skills & Private Level • Trainer Certification Workshop • TTT & Training Conference	74.11%
Workers	0	0	0%

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

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

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

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

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

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No) Yes

If yes, provide details in brief

The Anti-corruption and anti-bribery policy is mentioned in The Business Responsibility Policy (BR Policy), approved by the Board of Directors of the Company, which prohibits practices that are abusive, corrupt, or anti-competitive. Copy of the BR Policy is available at https://www.medplusindia.com/uploads/content/Business_Responsibility_Policy.pdf

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

Particular	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

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

Not Applicable

8. Number of days of accounts payables in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	29	32

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	29%	40%
	b. Sales (Sales to related parties / Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments (Investments in Related Parties / Total Investments)	100%	100%

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

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

Sr. No.	Particular	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	-	0	-
2	Capex	-	0	-

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

No

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

The company buys and stores pharmaceutical and fast-moving consumer goods (FMCG) from vendors for distribution in retail and online. The Company is committed to following all applicable laws to ensure the safety and sustainability of its products, and it is constantly looking for methods to improve the lifecycle of these products. While there are no formal methods for sustainable sourcing, the Company actively seeks to reduce waste in product procurement (finished goods), based on what pharmaceutical and FMCG industries supply. The procurement procedure mostly entails bulk purchasing from vendors in their original packaging, with no requirement for extra supplies. The company runs an optimized end-to-end supply chain that saves gasoline and resources.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

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

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

4. a Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)

No

b If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

Not Applicable

c If not, provide steps taken to address the same

Not Applicable

PRINCIPLE 3 Businesses should respect and promote the wellbeing of all employees, including those in their value chains.

(This principle emphasizes the importance of employee wellbeing. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the wellbeing of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	**15,340**	1,632	10.64%	15,340	100%	NA	NA	0	0%	0	0%
Female	**6,376**	315	4.94%	6,376	100%	6376	100%	NA	NA	0%	0%
Total	**21,716**	**1,947**	**8.97%***	**21,716**	**100%**	**6376**	**100%**	**0**	**0%**	**0**	**0%**
* All other employees are covered under ESI.											
Other than permanent employees											
Male											
Female	NA										
Total											

1. b. Details of measures for the wellbeing of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male											
Female						NA					
Total											
Other than permanent workers											
Male											
Female						NA					
Total											

1. c. Spending on measures towards wellbeing of employees and workers (including permanent and other than permanent) in the following format

Particular	FY 2023-24	FY 2022-23
Cost incurred on wellbeing measures as a % of total revenue of the company	0.06%	0.04%

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

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0%	Y	100%	0%	Y
Gratuity	100%	0%	Y	100%	0%	Y
ESI	91.03%*	0%	Y	92.73%**	0%	Y
Others – please specify	-	-	-	-	-	-

* 19,769 employees are covered under ESI in a total of 21,716 employees.

** 18,199 employees are covered under ESI in a total of 19,626 employees.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Yes

If not, whether any steps are being taken by the entity in this regard.

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

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? Yes

If so, provide a web-link to the policy.

Our Employee Code of Conduct outlines our policy of providing equal opportunity in all aspects of employment and prohibiting any form of illegal discrimination or harassment, including but not limited to derogatory comments based on racial or ethnic characteristics and unwanted sexual advances.

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

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

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	0%	0%	NA	NA
Female	41.67%	50.00%	NA	NA
Total	**41.67%**	**50.00%**	**NA**	**NA**

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

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	NA	
Other than Permanent Workers	NA	
Permanent Employees	Yes	A Grievance Mechanism is in place which is accessible to internal stakeholders and is available on Company's intranet and brief under code of business conduct that can be accessible on website: https://www.medplusindia.com/corporate.jsp In the event of an unethical incident, all employees are encouraged to report it to their supervisor or reporting manager. They are directed to the Human Resource Manager for questions about the organization, performance, and appraisals. Employees should reach out to the Audit Committee if complaint is of the nature as described in the whistle blower policy which can be accessed via link: https://www.medplusindia.com/corporate.jsp
Other than Permanent Employees	Yes	Same as above

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

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C.)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees						
Male	15,340	0	0%	14,306	0	0%
Female	6,376	0	0%	5,320	0	0%
Total Permanent Workers						
Male	0	0	0%	0	0	0%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Employees										
Male	**15,340**	6,933	45.20%	8,923	58.17%	14,306	6,711	47%	4,527	32%
Female	**6,376**	2,874	45.08%	2,460	38.58%	5,320	2,084	39%	1,272	24%
Total	**21,716**	**9,807**	**45.16%**	**11,383**	**52.42%**	**19,626**	**8,795**	**45%**	**5,799**	**30%**
Workers										
Male	**0**	0	0%	0	0%	0	0	0%	0	0%
Female	**0**	0	0%	0	0%	0	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees*						
Male	**15,340**	15,340	100%	14,306	14,306	100%
Female	**6,376**	6,376	100%	5,320	5,320	100%
Total	**21,716**	**21,716**	**100%**	**19,626**	**19,626**	**100%**
Workers						
Male	**0**	0	0%	0	0%	0
Female	**0**	0	0%	0	0%	0
Total	**0**	**0**	**0%**	**0**	**0%**	**0**

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

10. Health and safety management system

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)** No

If Yes, the Coverage such systems? NA

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The company has implemented environmental, health, and safety standards throughout the organization and its value chain. The Company's environmental, health, and safety procedures are consistent with applicable local laws as well as ethical corporate standards. The company has invested in the safety of its employees and the human resources that surround it, and it will continue to do so.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)** NA

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)** Yes we have Mediclaim in place for our employees

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

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High-consequence work-related injury or ill health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

*Including in the contract workforce

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

Medplus prioritizes health, safety, and wellbeing of its workforce. We are committed to providing a safe working environment for all of our employees, regardless of their geographic location or job description. Rigorous health and safety systems are in place throughout our stores, warehouses, diagnostic centers, collection centers, and business activities, and they are guided and motivated by our rules and procedures. If any employee was not informed of these standards or processes during their induction, they obtain the relevant information from their direct manager. We continually use effective techniques to improve our health and safety performance.

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

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessment for the year:

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

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

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

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

A 'stakeholder' is an individual, group of people, or institution that either influences or is influenced by our business. The inclusion and ranking of stakeholders is determined by their interest, impact, and influence on Medplus. Meeting the needs, interests, and aspirations of our stakeholders is critical to our operations. To do this, we have developed a well-organized stakeholder engagement strategy that allows us to maintain open and consistent communication with our prioritized stakeholder groups.

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

Stakeholder Group	Whether identified as Vulnerable & Marginal-ized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Patients and Customers	No	- Retail Pharmacy interactions - Social Media - Print and Electronic Media	Regular	- Valuable insight to foster trust. - Focus on healthcare and service needs. - Front of-store products. - Payment options input on partnerships to healthcare accessibility and product transparency
Employees	No	A full range of communications channels, both digital and in-person - Human Resources Management System (HRMS) - Performance Reviews and Development Programs - WhatsApp Groups - Website and Public reports - POS pop-ups - Regular emails - Workplace surveys - Corporate communications – Meetings - Bulletin Board / Notice Board communications	Regular	- Improving health and well-being of employees - Training and upskilling - Modification of benefit offerings - Financial and mental health support - Express insights to management - Compensation practices
Suppliers	No	- Training/events - Business Review	Regular assess-ment, policies and communi-cations	Responsible sourcing - Plastics and waste management - Operating as a responsible materials consumer - Respect and maintain human rights - Prioritise operational sustainability - Ensure Product safety
Channel Partners	No	Site/ Market Visits Meetings	Periodic	- To improve availability of medications across different regions - To establish a robust collaboration to ensure a continuous provision of essential medications - To achieve higher market share - To raise awareness regarding new initiatives - To collaborate with partners who demonstrate creditworthiness and adhere to fair business practices - To respond to any inquiries or feedback from channel partners.

Stakeholder Group	Whether identified as Vulnerable & Marginal-ized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulators	No	Engagement with Industry Associations / subcommittees Meetings	Need based	To actively participate and advocate on diverse regulatory and policy matters - To enhance the healthcare ecosystem through policy interventions - Access to affordable and quality healthcare
Sharehold-ers and investors	No	- Frequent dialogue - Shareholders Meeting - Quarterly Earnings Calls - Website - Emails - Stock Exchange and other communications - Annual Report	Annual/ Event based and Quarterly	- Understanding shareholder's expectations, soliciting inputs and communicating their perspective to the management - Conveying the Company's business achievements, financial results, and comprehensive strategic direction.
Communi-ties	No	- Website - CSR Initiative	Periodic	- Evaluating social issues or developmental needs faced by the local communities. - Community welfare

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

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

Benefits	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	**21,716**	21716	100%	**19,626**	8,795	45%
Other than permanent	**0**	0	0%	**0**	0	0%
Total Employees	**21,716**	**21,716**	**100%**	**19,626**	**8,795**	**45%**
Workers						
Permanent	**0**	0	0%	**0**	0%	0
Other than permanent	**0**	0	0%	**0**	0%	0
Total Workers	**0**	**0**	**0%**	**0**	**0%**	**0**

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C /A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	**15,340**	0	0%	15,340	100%	**14,306**	0	0%	14,306	100%
Female	**6,376**	0	0%	6,376	100%	**5,320**	0	0%	5,320	100%
Total	**21,716**	**0**	**0%**	**21,716**	**100%**	**19,626**	**0**	**0%**	**19,626**	**100%**
Other than Permanent										
Male	**0**	0	0%	0	0%	**0**	0	0%	0	0%
Female	**0**	0	0%	0	0%	**0**	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**
Workers										
Permanent										
Male	**0**	0	0%	0	0%	**0**	0	0%	0	0%
Female	**0**	0	0%	0	0%	**0**	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**
Other than Permanent										
Male	**0**	0	0%	0	0%	**0**	0	0%	0	0%
Female	**0**	0	0%	0	0%	**0**	0	0%	0	0%
Total	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	5	19,00,000/-	1	21,00,000/-
Key Managerial Personnel*#	4	45,63,636 /-	0	-
Employees other than BoD and KMP**	15,340	1,67,328/-	6,376	1,65,504/-
Workers	0	0	0	0

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

*Includes 1 Executive Director (ED) and 5 Non-Executive Director (NED)/Sitting fees paid to NED has been annualised for the purpose of median remuneration

#KMP includes 1 ED included in BOD

** Employees other than BoD and KMP includes MedPlus and Optival

Note: All Median salaries mentioned above are on annual basis

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages (Medplus & Optival)	26%	24%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Medplus's Code of Conduct addresses human rights issues. The company is committed to creating a work environment that values health and wellbeing while being free of bigotry, gender bias, and sexual harassment. The goal is to create and maintain a safe workplace in where civility, dignity, and respect are the norm, regardless of gender, race, caste, creed, religion, origin, sexual orientation, disability, economic status, or hierarchical position.

The Company has a Whistleblower and Prevention and Resolution of Sexual Harassment at Workplace Policy, which allows and encourages its stakeholders to raise concerns about any violations against the employee who is complaining or the alleged harasser that may result from a complaint.

The Management has established an Internal Complaints Committee to address and resolve harassment grievances. The grievances are duly addressed, and corrective measures deemed fit are taken.

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

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Internal Complaints Committee (ICC) was formed to address sexual harassment concerns. It consists of a varied group of internal and external people with relevant backgrounds. There are currently established criteria for dealing with sexual harassment cases. The Company's Code of Conduct establishes the foundation for all employees to operate in a productive, positive, fun, and safe environment free of harassment and discrimination. Any type of prejudice is considered unacceptable at MedPlus, and all reported cases are thoroughly investigated.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

No

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

The Company is conducting assessment at regular intervals of all its places of business.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There were no cases where correction action was required.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources (GJ)		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C.)	-	-
Total energy consumed from renewable sources (A+B+C)	**-**	**-**
From non-renewable sources (GJ)		
Total electricity consumption (D)	1,63,116.32	1,25,753.96
Total fuel consumption (E)	4,480.92	1,788.19
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**1,67,597.24**	**1,27,542.15**
Total energy consumed (A+B+C+D+E+F)	**1,67,597.24**	**1,27,542.15**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (GJ/₹ in Mn.)	2.97	2.67
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) ((GJ/₹ in Mn.)x PPP Factor)	60.24	53.99
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) (Total energy consumed (in GJ)/ Total area in sq. ft.)	2.01	2.05
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		No
If yes, name of the external agency.	NA	

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

Not Applicable

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

3. Provide details of the following disclosures related to water, in the following format:

Parameter Water withdrawal by source (in kilolitres)	FY 2023-24	FY 2022-23
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	5,244.31	2,818.22
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**5,244.31**	**2,818.22**
Total volume of water consumption (in kilolitres)	**5,244.31**	**2,818.22**
Water intensity per rupee of turnover (Total water consumption (in kilolitres)/ Revenue from operations) (KL/₹ in Mn.)	0.093	0.059
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)(Total water consumption (in kilolitres)/ Revenue from operations adjusted for PPP) ((KL/₹ in Mn.)x PPP Factor)	1.88	1.92
Water intensity in terms of physical output	NA	NA
Water intensity (optional) (Total water consumption (in kilolitres)/ Total area in sq. ft.)	0.063	0.045
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)		**No**
If yes, name of the external agency.	NA	

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	Nil	Nil
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third parties*	**5,244.31**	**2,818.22**
No treatment	5,244.31	2,818.22
With treatment – please specify level of treatment		
(v) Others		
No treatment	Nil	Nil
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**5,244.31**	**2,818.22**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		No
If yes, name of the external agency.	NA	

*Note: Water withdrawn is sent to municipal corporation sewage system after use.

5. 5. Has the entity implemented a mechanism for Zero Liquid Discharge?

NA

If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			No
If yes, name of the external agency.			

Note: Air emissions are not material for the Medplus.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**845.67**	**307.79**
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**32,442.02**	**28,294.64**
Total Scope 1 and Scope 2 emissions per rupee of turnover (₹ in Mn.)	(Total Scope 1 and Scope 2 GHG emissions (MT CO_2e) / Revenue from operations)	0.59	0.60
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	(Total Scope 1 and Scope 2 GHG emissions (MT CO_2e) / Revenue from operations ((MT CO_2e/₹ in Mn.)x PPP Factor)	11.97	12.11
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	**NA**	**NA**
Total Scope 1 and Scope 2 emission intensity (optional)	(Total Scope 1 and Scope 2 Emissions (MT CO_2e) / Total area in sq. ft.)	0.40	0.46
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			No
If yes, name of the external agency.	NA		

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

Yes

If yes, then provide details.

MedPlus's ongoing goal is to improve energy efficiency, reduce waste, and reduce fuel usage across our broad network of retail locations. We remain steadfast in our goal to reducing our carbon impact through various approaches, including:

Optimizing Energy Efficiency: We have launched an initiative to replace traditional lighting with LED alternatives and invest in very energy efficient equipment. In addition, we actively manage our air conditioning systems, ensuring that they are turned off in areas that are not in use. We've carefully located our warehouses in major urban regions. These decentralized facilities conduct procurement autonomously and use public transportation to serve stores in nearby Tier 1 and Tier II cities or towns. This strategy encourages lower energy use by reducing the distance of transportation.

Waste Management and Reduction: Various measures have been implemented for collection, management and recycling of general waste as well as pharmaceutical responsibly, and we are partnering with authorized agencies for the same to keep emissions at bay. Our focus extends to the minimization of plastic waste as we use paper bags at our stores and reusable cloth bags at our warehouse facilities.

Efficient and Localized Supply Chain: Our goods are sourced from authorized local producers of FMCG and Pharmaceutical products. Our procurement strategy includes sourcing from seven strategic locations close to vendor points, which aids us in efficiently distributing products to our retail outlets. Our end-to-end supply chain, running from our central warehouse to the retail shops, has been streamlined to ensure maximum efficiency. This optimized system enables us to reduce fuel usage and resource wastage significantly.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	26.25	12.67
E-waste (B)	61.85	40.50
Bio-medical waste (C)	356.905	199.89
Construction and demolition waste (D)	-	-
Battery waste (E)	13.95	4.09
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	352.08	318.33
Paper other waste scrap	433.33	192.44
Total (A+B + C + D + E + F + G + H)	**1244.36**	**767.92**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) (MT/₹ in Mn.)	0.022	0.016
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) ((MT/₹ in Mn.)x PPP Factor)	0.45	0.32
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – (Total waste generated (in metric tonnes) / Total area in sq. ft.)	0.015	0.012

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Recycled	887.5	568.03
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**887.5**	**568.03**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	FY 2023-24	FY 2022-23
(i) Incineration	356.905	199.89
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**356.905**	**199.89**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		No
If yes, name of the external agency.	NA	

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows the necessary procedures to collect, manage, and recycle waste, partnering with authorized companies, who periodically collects and disposes of the waste as mandated.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
Not Applicable				

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable			

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.** No

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/ International)
Not Applicable		

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	Not Applicable	

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Not Applicable		

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
				Not Applicable		

3. **Describe the mechanisms to receive and redress grievances of the community.**

We strive to address all issues swiftly and effectively, demonstrating our dedication to maintaining a strong and positive connection with our community. Our key channels of contact are listed below: It is critical to our operations to have an open and effective grievance redressal system. The purpose is to guarantee that any community issues or complaints are heard, understood, and promptly addressed.

We can be reached out through primary modes of communication:

1. Toll-Free Number: Clearly displayed on our Company website and all our promotional materials. This number is managed by a dedicated team of customer care representatives, who are trained to handle inquiries, complaints, and concerns. They ensure prompt responses, and take necessary actions to address the grievances raised.

2. Call Centre/Customer Care: Available around the clock to provide immediate assistance to anyone reaching out.

3. Common Email ID: A common email ID for the community to send in their grievances. This email ID is monitored regularly, and all messages are acknowledged within a specified timeframe. The emails are categorized based on the nature of the query or complaint and forwarded to the relevant department for resolution.

4. Feedback Form on Website: A user-friendly feedback form on our website where customers can share their concerns, suggestions or complaints.

5. Social Media Channels: Our social media channels are monitored and we take note of any comments or messages related to grievances. Our team promptly responds to these messages and directs them to the appropriate department for redressal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	5.40%	3.21%
Directly from within India	94.60%	96.79%*

*Our procurement is made mostly from within the district and neighboring districts where our warehouses/ branch offices are located.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	FY 2023-24	FY 2022-23T
Rural	0.04%	0.10%
Semi-urban	4.86%	4.19%
Urban	16.35%	14.52%
Metropolitan	78.75%	81.19%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company employs an effective system to accumulate and address all consumer complaints promptly. Our Complaint Management System (CMS) is a dedicated dashboard that funnels consumer complaints to our Customer Service Department (CSD). Based on the nature of the complaint, the CSD channels it to the appropriate departments. We adhere to specific turnaround timelines (TAT) for different types of complaints across various departments. Issues relating to topics such as online exchange procedures and online delivery complaints are addressed by our Mart Operations Team. Customers can submit their grievances through phone calls or emails. Once a complaint ticket is generated in our Customer Relationship Management (CRM) system, it becomes visible to both the customer and relevant employees within the department. Moreover, our customer care team is also receptive to feedback from customers, which is essential to our constant improvement and ensures we uphold our commitment to excellent customer service.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Particular	FY 2023-24		Remark	FY 2022-23		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	15,613	0	-	16,872	0	-

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	NA	-
Forced recalls	NA	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

The policy can be accessed at - https://www.medplusindia.com/privacy-policy.jsp

Potential information loss and IT system failures, particularly cyber-attacks, might possibly impair how well shops, centres, warehouses, and distribution networks operate.

1. To avoid unexpected system breakdowns, the Company regularly inspects its internal IT security systems

2. The Company also safeguards these systems using a range of backup plans and sufficient firewalls

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Nil

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact NIL

b. Percentage of data breaches involving personally identifiable information of customers NIL

c. Impact, if any, of the data breaches NA

Independent **Auditor's Report**

To the Members of MedPlus Health Services Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of MedPlus Health Services Limited (the "Company"), its employee benefit trust which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material 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 2024, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors'/Trustee's 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. The respective Management and Board of Directors of the Company/ Trustee of the Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/ Trustee are responsible for assessing the ability of Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Trustee either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Trustee are responsible for overseeing the financial reporting process of Company/Trust.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for:

   – the back-up of key Microsoft Excel Spreadsheets related to financial reporting process and payroll software which form part of the 'books of account and other relevant books and papers in electronic mode have not been maintained on the servers physically located in India on a daily basis; and

   – the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 on various dates and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected

Independent Auditor's Report (Contd.)

therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company incorporated in India.

d (i) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to revenue, procurement and inventory processes for the period 1 April 2023 to 22 December 2023.

Independent Auditor's Report (Contd.)

- The feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account for certain tables relating to Purchase, Production inventory, Revenue to receivables, financial reporting.

- In the absence of reporting on compliance with audit trail requirements in the independent auditor's report of a service organization for the database level of the accounting software used for maintaining the books of account relating to Purchase, Production inventory, Revenue to receivables, financial reporting, we are unable to comment whether the audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

- The feature of recording audit trail (edit log) facility was not enabled for the accounting software used for maintaining the books of account relating to payroll process.

  Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

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/payable 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/payable to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN: 24125710BKFZNY4931

Place: New Delhi
Date: 28 May 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment and Right-of-use assets by which all property, plant and equipment and Right-of-use assets are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment and right-of-use assets 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 the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land	5.51	NATCO Pharma Limited	No	21 December 2020	Note 3(a) to standalone financial statements

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and (iii)(b) of the Order are not applicable to the Company.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited for the year ended 31 March 2024 (Contd.)

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated except for the loan of ₹4.50 millions given to it's subsidiary, Kalyani Meditimes Private Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of loan during the year. Further, in respect of other loans, repayment of principal and payment of interest have been irregular and the details are the following:

Name of the entity	Amount	Due Date	Extent of delay	Remarks, if any
Kalyani Meditimes Private Limited	13.32	1 October 2022 to 11 April 2023	Not repaid	Overdue principal amount. Refer Note 1
Kalyani Meditimes Private Limited	0.56	April 2023 - May 2023	Not repaid	Overdue interest amount. Refer Notes 1 and 2

Note 1: These overdues have been fully provied for.

Note 2: In the absence of certainity over realisibility of the principal amount of the loan, the Company has not recoginzed interest income from 1 April 2023. Our reporting of overdue interest in the above clause has been restricted to interest receivables as at 31 March 2023.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except an amount of ₹13.32 millions (principal amount) and ₹0.56 millions (interest) overdue for more than ninety days as at 31 March 2024. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan to any party during the year

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its subsidiary, being related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Related Parties
Aggregate of loans/advances in nature of loan - Repayable on demand	4.50
Percentage of loans/advances in nature of loan to the total loans	25.25%

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited for the year ended 31 March 2024 (Contd.)

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income-Tax	34.86	FY 2020-21	Commissioner of Income Tax (Appeals)	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. Further, the Company does not hold any investment in any 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). Further, the Company does not hold any investment in any subsidiaries (as defined under the Act).

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited for the year ended 31 March 2024 (Contd.)

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in Note 46(x) to the standalone financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited for the year ended 31 March 2024 (Contd.)

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 Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.: 128510W

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN: 24125710BKFZNY4931

Place: New Delhi
Date: 28 May 2024

Annexure B to the Independent Auditor's Report on the standalone financial statements of MedPlus Health Services Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of MedPlus Health Services Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R and Co**
Chartered Accountants
Firm’s Registration No.: 128510W

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN: 24125710BKFZNY4931

Place: New Delhi
Date: 28 May 2024

Standalone **Balance Sheet** as at March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3a	1,090.75	935.58
Capital work-in-progress	3b	3.52	179.09
Other Intangible assets	3c	25.77	34.14
Right-of-use assets	4	800.24	824.40
Financial assets			
Investments	5	9,297.16	9,171.58
Other financial assets	7a	71.89	25.75
Deferred tax assets (net)	32	33.59	-
Other tax assets	8	38.23	24.68
Other non-current assets	9a	1.84	18.36
		11,362.99	**11,213.58**
Current assets			
Inventories	10	139.61	66.87
Financial assets			
Trade receivables	13	658.33	376.11
Cash and cash equivalents	11	130.01	357.03
Bank balances other than cash and cash equivalents	12	494.25	544.60
Loans	6	-	-
Other financial assets	7b	247.57	55.62
Other current assets	9b	89.52	105.61
		1,759.29	**1,505.84**
Total Assets		**13,122.28**	**12,719.42**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	239.07	238.61
Other equity	15	11,487.23	11,174.17
Total Equity		**11,726.30**	**11,412.78**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	17a	822.04	808.15
Provisions	19a	15.48	18.35
		837.52	**826.50**
Current liabilities			
Financial liabilities			
Lease liabilities	17b	63.68	49.89
Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		0.17	3.61
- Total outstanding dues of other than micro enterprises and small enterprises		179.31	124.28
Other financial liabilities	18	209.76	229.61
Other current liabilities	20	27.29	21.02
Contract liabilities	21	59.02	41.40
Provisions	19b	19.23	10.33
		558.46	**480.14**
Total Liabilities		**1,395.98**	**1,306.64**
Total Equity and Liabilities		**13,122.28**	**12,719.42**

Summary of material 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 and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Hyderabad, May 28, 2024

Standalone **Statement of Profit and Loss** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	22	4,670.30	2,139.26
Other income	23	72.93	162.39
Total income (I)		**4,743.23**	**2,301.65**
Expenses			
Purchases of stock-in-trade	24	3,073.95	1,314.91
Cost of materials consumed	25	445.23	257.77
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(8.83)	(3.96)
Employee benefits expense	27	436.06	281.45
Finance costs	29	84.02	65.45
Depreciation and amortisation expense	28	241.70	153.07
Impairment reversals (net)	5	-	(69.44)
Other expenses	30	400.69	226.54
Total expenses (II)		**4,672.82**	**2,225.79**
Profit before tax (III) = (I)-(II)		**70.41**	**75.86**
Tax expense	32		
- Current tax expense		9.65	20.42
- Deferred tax benefit		(35.05)	-
Total tax expense/(benefit) (IV)		**(25.40)**	**20.42**
Profit for the year (V) = (III)-(IV)		**95.81**	**55.44**
Other comprehensive income (OCI)			
Items that will not to be reclassified subsequently to Statement of profit or loss:			
Remeasurement gain/(loss) on net defined benefit plans (VI)	33	5.81	(3.56)
Income tax effect on the above (VII)		(1.46)	-
Total comprehensive income / (loss) for the year (VIII) = (VI)+(VII)		**4.35**	**(3.56)**
Total comprehensive income for the year (IX) = (V)+(VIII)		**100.16**	**51.88**
Earnings per equity share (EPES) (In absolute ₹ terms)	31		
Basic		0.80	0.46
Diluted		0.80	0.46

Summary of material 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 and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 28, 2024

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 28, 2024

Standalone **Statement of Cash Flows** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	70.41	75.86
Adjustments for:		
Depreciation of property, plant and equipment and Amortisation of Intangible assets	142.52	77.02
Depreciation of right-of-use assets	99.18	76.06
Provision for employee benefits	19.71	11.05
Allowance on doubtful debts	0.09	0.43
Allowance on doubtful deposits	10.68	-
Advances/debts written off	0.32	0.13
Allowance on doubtful loans and advances	-	3.51
Interest on lease liabilities	84.02	65.45
Interest income	(58.02)	(142.15)
Financial guarantee income	-	(1.47)
Liabilities no longer required written back	(1.49)	(2.69)
Impairment reversals, net	-	(69.44)
Gain on de-recognition of right-of-use assets	(1.37)	(2.03)
Employees stock option compensation expenses	15.45	18.07
Operating profit before working capital changes	**381.50**	**109.80**
Change in assets and liabilities		
Increase in inventories	(72.74)	(27.87)
Increase in non-current financial assets	(2.89)	(25.01)
Increase in current financial assets	(287.34)	(7.71)
Decrease/(Increase) in other assets	16.13	(49.10)
Increase in current financial liabilities	66.84	133.86
Increase/(Decrease) in other current liabilities	6.27	(1.38)
Decrease in provisions	(7.87)	(0.43)
Cash generated from operations	**99.90**	**132.16**
Taxes paid (net of refund)	(23.20)	(18.11)
Net cash generated from operating activities (A)	**76.70**	**114.05**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(123.90)	(617.42)
Proceeds from sale of property, plant and equipment	10.64	7.87
Investment in subsidiaries	-	(4,691.70)
Loan given to subsidiaries	-	(2.00)
Repayment of loan from subsidiaries	-	12.00
Investment in bank deposits	(486.43)	(98.35)
Proceeds from maturity of bank deposits	312.95	5,526.47
Interest received	42.48	180.32
Net cash generated from/(used in) investing activities (B)	**(244.26)**	**317.19**

Standalone Statement of Cash Flows for the year ended March 31, 2024 (contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from financing activities		
Proceeds from issue of equity shares under ESOP's (refer to note 34)	72.29	11.89
Interest Payment on Lease liabilities (refer note b)	(84.02)	(65.45)
Principal Repayment of lease liabilities	(47.73)	(30.03)
Net cash used in financing activities (C)	**(59.46)**	**(83.59)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(227.02)	347.65
Cash and cash equivalents at the beginning of the year	357.03	9.38
Cash and cash equivalents at the end of the year	**130.01**	**357.03**
Components of cash and cash equivalents		
Cash on hand	1.00	0.55
Deposits with original maturity of less than 3 months	73.10	345.60
Balance in wallets	1.43	1.14
Balance with banks in current accounts	54.48	9.74
Total cash and cash equivalents (refer note no.11)	**130.01**	**357.03**

Summary of material accounting policies 2.2

Notes:

a. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.

b. Refer note 35 for change in lease liabilities raising from financing activities

c. Movement disclosure under Ind AS 7 with respect to borrowings are not applicable as the Company does not have any long term borrowings

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached.

For **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Hyderabad, May 28, 2024

Standalone **Statement of Changes in Equity** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. Equity Share Capital:

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year*	Balance as at March 31, 2024
238.61	-	238.61	0.46	239.07

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.61	-	238.61	(0.00)	238.61

* Refer note 14(a).

B. Other Equity

Particulars	Reserves and surplus						Total other equity
	Securities premium	Share based payment reserve	General reserve	Amalgamation adjustment account	Capital reserve	Retained earnings	
As at April 1, 2022	**11,831.46**	**113.94**	**355.03**	**(98.39)**	**7.62**	**(1,320.45)**	**10,889.21**
Employee stock compensation expenses for the year(refer note- 34)	-	221.19	-	-	-	-	221.19
Transfer on account of exercise of share options	30.78	(30.78)	-	-	-	-	-
Share based payment reserve adjusted against securities premium	67.51						
Proceeds from issue of equity shares under ESOP	11.89	-	-	-	-	-	11.89
Profit for the year	-	-	-	-	-	55.44	55.44
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	(3.56)	(3.56)
As at March 31, 2023	**11,941.64**	**304.35**	**355.03**	**(98.39)**	**7.62**	**(1,268.57)**	**11,174.17**
Employee stock compensation expenses for the year (refer note- 34)	-	141.05	-	-	-	-	141.05
Stock options lapsed	-	(1.25)	1.25	-	-	-	-
Transfer on account of exercise of share options	140.53	(140.53)	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	(67.51)	-	-	-	-	-	(67.51)
Proceeds from issue of equity shares under ESOP	71.85	-	-	-	-	-	71.85
Profit for the year	-	-	-	-	-	95.81	95.81
Actuarial gain on post-employment benefit obligations, net of tax	-	-	-	-	-	4.35	4.35
As at March 31, 2024	**12,086.51**	**303.62**	**356.28**	**(98.39)**	**7.62**	**(1,168.41)**	**11,487.23**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached.

For **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 28, 2024

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(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 primarily engaged in the business of provision of diagnostic services, pathological services and laboratory testing services. Further, the Company is also engaged in the manufacturing, purchase and sale of pharmaceuticals and other general items and rendering of management services to group companies. The Board of Directors approved the standalone financial statements for the year ended March 31, 2024 and authorised for issue on May 28, 2024.

2. Material 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:

(i) Financial assets and financial liabilities that are measured 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 material accounting policies

a. Material 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 are:

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

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 recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

b. 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.

c. 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.

d. Fair Value Measurement

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities. Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates. Invoices are as issued according to contractual terms and are usually payable with in 60 days.

Brand Fee

Brand fee is a percentage on revenue generated by the subsidiaries, recognised on accrual basis in accordance with the terms of the relevant agreement and there is significant certainty as to its collectability. Invoices are as issued according to contractual terms and are usually payable with in 30 days.

Management and administrative fee Income

Management fee is recognised based on the services rendered and as per the terms of agreement and there is significant certainty as to its collectability. Invoices are as issued according to contractual terms and are usually payable with in 30 days.

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Company recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Company measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price.

The amount collected on sale of discount coupon is recognised as unearned revenue initially and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired.

Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

f. 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.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the standalone statement of profit or loss is recognised outside the standalone statement ofprofit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

g. Property, Plant and Equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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-refundable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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. Land is carried at historical cost less any accumulated impairment losses.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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.

The cost of property, plant and equipment at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the Schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule III
Furniture and fixtures	10	10
Vehicles	8-10	8-10
Data Processing Equipment	3-6	3-6
Buildings	30	30
Plant and Equipment	5-15	5-15

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.

h. 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.

The intangible assets as at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per previous GAAP (deemed cost), as at the date of transition to Ind AS.

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

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

i. 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

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in standalone statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for 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.

j. Inventories

Inventories comprise of raw materials, packing materials, finished goods, stock-in-trade and stores and consumables and are valued at lower of cost or net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business reduced by the estimated costs of completion and estimated costs necessary to make the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories until expected to be capitalised.

The factors that the Company considers in determining the valuation of inventory includes shelf life and ageing of Inventory. The Company considers these factors and adjust valuation to reflect actual value of inventory. The comparision of cost and NRV is made on item by item basis

k. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that non-financial assets (other than inventories and deferred tax assets) 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.

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

l. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

m. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone statement of profit and loss in the subsequent periods.

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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;
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n. 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 standalone statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The amount of expenses pertaining to options granted to employees of the Company's subsidiaries are treated as Deemed Investments in respective subsidiaries to which employees belong and are recognised at each reporting period date until the vesting date, with corresponding impact in Share-based payment reserve.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

o. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus except for trade receivables, less transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it valuates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer 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

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(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

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.

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(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.

p. Financial Guarantee

In a financial guarantee where the parent company has provided guarantee to its subsidiaries, Company treats the fair value of the guarantee as an equity infusion at the time of initial recognition and subsequently recognize the Guarantee premium over the period of guarantee.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. 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.

s. 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.

t. 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.

u. 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

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(consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings equity per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

w. 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.

x. 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.

y. Recent pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

z. Material accounting policy informaton

The Company adopted Disclosure of Accounting policies (Amendments to Ind AS 1) from 1st April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. the amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

3a. Property, plant and equipment

Particulars	Land	Building	Leasehold improvements	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount								
As at April 01, 2022	143.30	-	29.22	224.04	11.31	12.03	3.33	423.23
Additions	7.77	-	122.79	438.50	23.56	18.04	3.34	614.00
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2023	**151.07**	**-**	**152.01**	**662.54**	**34.87**	**30.07**	**6.67**	**1,037.23**
Additions	-	21.91	47.64	204.48	7.75	7.27	0.83	289.88
Disposals	-	-	-	(0.62)	-	-	-	(0.62)
As at March 31, 2024	**151.07**	**21.91**	**199.65**	**866.40**	**42.62**	**37.34**	**7.50**	**1,326.49**
Accumulated depreciation								
Up to April 01, 2022	-	-	3.64	23.85	2.83	3.18	0.56	34.06
Charge for the year	-	-	13.67	45.64	6.06	1.72	0.50	67.59
Disposals	-	-	-	-	-	-	-	-
Up to March 31, 2023	**-**	**-**	**17.31**	**69.49**	**8.89**	**4.90**	**1.06**	**101.65**
Charge for the year	-	-	35.62	82.39	12.19	3.14	0.82	134.16
Disposals	-	-	-	(0.07)	-	-	-	(0.07)
Up to March 31, 2024	**-**	**-**	**52.93**	**151.81**	**21.08**	**8.04**	**1.88**	**235.74**
Net carrying amount								
As at March 31, 2023	**151.07**	**-**	**134.70**	**593.05**	**25.98**	**25.17**	**5.61**	**935.58**
As at March 31, 2024	**151.07**	**21.91**	**146.72**	**714.59**	**21.54**	**29.30**	**5.62**	**1,090.75**

Title deeds of immovable properties not held in name of the Company:

Particulars	Description of item of property	Gross carrying value as on March 31, 2024	Gross carrying value as on March 31, 2023	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	5.51	5.51	NATCO Pharma Limited	No	December 21, 2020	Refer note 1 below

Note 1: Propety has been transferred vide agreement of sale dated December 21, 2020. However, the Company is in the process of completing the registration of the same.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

3b. Capital work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balances	179.09	155.20
Additions during the year	124.62	614.01
Less: Capitalised during the year	(290.10)	(590.12)
Less: Disposals during the year	(10.09)	-
Closing Balance	**3.52**	**179.09**

Note: The Company does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023

Capital work-in-progress ageing schedule

As at March 31, 2024

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.33	0.03	-	0.16	**3.52**
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	167.82	3.09	8.18	-	**179.09**
Projects temporarily suspended	-	-	-	-	-

3c. Intangible assets

Particulars	Software	Total Intangible assets
Gross carrying amount		
As at April 01, 2022	29.80	29.80
Additions	23.20	23.20
Disposals	(11.18)	(11.18)
As at March 31, 2023	**41.82**	**41.82**
Additions	-	-
As at March 31, 2024	**41.82**	**41.82**
Accumulated Amortisation		
Up to April 01, 2022	1.56	1.56
Charge for the year	9.43	9.43
Disposals	(3.31)	(3.31)
Up to March 31, 2023	**7.68**	**7.68**
Charge for the year	8.36	8.36
Disposals	-	-
Up to March 31, 2024	**16.05**	**16.05**
Net carrying amount		
As at March 31, 2023	**34.14**	**34.14**
As at March 31, 2024	**25.77**	**25.77**

Note: The Company doesn't have intangible assets under development.

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(All amounts in Indian Rupees in millions except for share data or otherwise stated)

4. Right-of-use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Right-of-use assets (refer note : 35A)	800.24	824.40
	800.24	**824.40**

5. Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in unquoted equity shares / fully paid carried at cost less impairment (refer note : 1)		
a) In subsidiaries		
209,784,441 (March 31, 2023: 209,784,441) equity shares of ₹10 each fully paid-up in Optival Health Solutions Private Limited	8,271.15	8,271.15
7,010,000 (March 31, 2023: 7,010,000) equity shares of ₹10 each fully paid-up in MHS Pharmaceuticals Private Limited (Refer Note:50)	70.10	70.10
6,860,000 (March 31, 2023: 6,860,000) equity shares of ₹10 each fully paid-up in Nova Sud Pharmaceuticals Private Limited	68.60	68.60
14,077,350 (March 31, 2023: 14,077,350) equity shares of ₹10 each fully paid-up in Wynclark Pharmaceuticals Private Limited	140.77	140.77
20,000,000 (March 31, 2023: 20,000,000) equity shares of ₹10 each fully paid-up in MedPlus Insurance Brokers Private Limited	20.00	20.00
10,000 (March 31, 2023: 10,000) equity shares of ₹10 each fully paid-up in Clearancekart Private Limited	0.10	0.10
386,636 (March 31, 2023: 386,636) equity shares of ₹10 each fully paid-up in Kalyani Meditimes Private Limited	35.00	35.00
Aggregate gross value of unquoted investments (A)	**8,605.72**	**8,605.72**
b) Deemed investments (refer note 39)		
Optival Health Solutions Private Limited	715.82	591.23
MHS Pharmaceuticals Private Limited	1.92	1.92
Venkata Krishna Enterprises Private Limited	8.19	7.37
Sidson Pharma Distributors Private Limited	0.51	0.34
Aggregate value of deemed investments (B)	**726.44**	**600.86**
Aggregate value of unquoted investments including deemed investments (C=A+B)	**9,332.16**	**9,206.58**
Less: Provision for impairment in value of investments	(35.00)	(35.00)
Aggregate amount of provision for impairment in value of investments (D)	**(35.00)**	**(35.00)**
Total (C+D)	**9,297.16**	**9,171.58**
Aggregate value of unquoted investments including deemed investments	9,332.16	9,206.58
Aggregate amount of provision for impairment in value of investments	35.00	35.00
Movement in provision for impairment:		
Opening balance	(35.00)	(125.77)
Add: Impairment loss during the year	-	(35.00)
Less: Reversals during the year	-	125.77
Closing balance	**(35.00)**	**(35.00)**

Note 1

The Company holds 100% (March 31, 2023: 100%) of the shareholding in all subsidiaries except for Optival Health Solutions Private Limited and Kalyani Meditimes Private Limited (KMT) wherein the Company's holding constitutes to 99.99% & 88.04% respectively (March 31, 2023: 99.99% and 88.04% respectively) of the paid-up capital of the subsidiaries.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Note 2	**March 31. 2024**	**March 31. 2023**
Impairment reversal of Wynclark Pharmaceuticals Private Limited	-	125.77
Provision for impairment of investment in KMT	-	(35.00)
Provision on loan and other receivables from KMT	-	(21.33)
Net Impairment Reversal	**-**	**69.44**

During the previous year ended March 31, 2023, the Company has performed an assessment of realisability of the carrying value of its investments in subsidiaries, pursuant to which an amount of ₹125.77 recognized as an impairment loss towards investments in Wynclark Pharmaceuticals Private Limited during the earlier years has been reversed during the year ended March 31, 2023. This reversal was mainly due to significant improvement in the operational and financial performance of the aforesaid subsidiary leading to consistent profits being earned from its operations and the Company's plan with respect to the future operations.

Further, pursuant to the aforesaid assessment carried out, Company had also recognized a provision towards impairment of its investments and loans receivable (including interest receivables) from Kalyani Meditimes Private Limited (KMT) to the tune of ₹35.00 and ₹21.33, respectively as at March 31, 2023. The provision for impairment was mainly on account of a significant decline in the operations of KMT.

6. Loans

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Unsecured, considered doubtful	-	-
Loan to related party (refer note below)	17.82	17.82
	17.82	**17.82**
Less: Loss allowance	(17.82)	(17.82)
	-	**-**

Note:

(a) The Company has given loan to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable monthly. The loan is repayable on demand within one working day of such demand. The outstanding balance of the loan as at March 31, 2024 is ₹4.50 millions (March 31, 2023 : ₹4.5 millions)

(b) The Company has given loan to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable yearly. The loan is repayable in 12 months from the issue date. The outstanding balance of the loan as at March 31, 2024 is ₹13.32 millions (March 31, 2023 :₹13.32 millions)

(c) Movement in Loss allowance

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Opening balance	17.82	-
Addition during the year	-	17.82
Closing balance	**17.82**	**17.82**

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

7. Other financial assets

Particulars		As at March 31, 2024	As at March 31, 2023
(a) Non-current			
Unsecured, considered good			
Bank deposits with remaining maturity of more than 12 months		50.00	-
Security deposits		21.89	25.75
	(A)	**71.89**	**25.75**
Unsecured, considered doubtful			
Security deposits		10.94	0.46
		10.94	**0.46**
Less: Loss allowance		(10.94)	(0.46)
	(B)	-	-
Total	**(A+B)**	**71.89**	**25.75**

Movement in Loss allowance		As at March 31, 2024	As at March 31, 2023
Opening balance		0.46	0.46
Addition during the year		10.48	-
Closing balance		**10.94**	**0.46**
(b) Current			
Unsecured, considered good			
Bank deposits with remaining maturity of less than 12 months		202.59	15.35
Deposit with others*		30.65	30.00
Other receivables (Refer note: 39)		3.84	-
Advance to employees***		1.47	1.33
Share issue expense receivable**		9.02	8.94
Total		**247.57**	**55.62**

* Includes deposits of ₹30.00 paid to Bombay Stock Exchange Limited ('BSE') in connection with IPO.

** The Company has spent / accrued amounts of ₹536.83 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and company in proportion of their shares. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders / IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

*** There are no loans or advances given to promotors, directors, KMP's and the related paties defined under the Companies Act 2013 either severally or jointly with any other person.

8. Other tax assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advance Tax (Net of provision of ₹18.46 (March 31, 2023: ₹20.43)	38.23	24.68
Total	**38.23**	**24.68**

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

9. Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Unsecured, considered good		
Capital advances	1.47	17.95
Balances with statutory or government authorities	0.37	0.41
Unsecured, considered doubtful		
Balances with statutory or government authorities	0.11	0.11
Advance to vendors	7.02	7.02
	8.97	**25.49**
Less: Loss allowance	(7.13)	(7.13)
	1.84	**18.36**
(b) Current		
Unsecured, considered good		
Balances with statutory or government authorities	2.35	3.08
Advance to vendors	77.79	98.30
Prepaid expenses	9.38	4.23
	89.52	**105.61**

10. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
(Valued at lower of cost or net realisable value)		
Raw materials (including packing materials)	107.38	51.21
Work in progress	9.26	5.78
Finished goods	10.59	5.24
Stores and consumables	12.38	4.64
	139.61	**66.87**

11. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- On current accounts	54.48	9.74
- Bank deposits with original maturity of less than three months	73.10	345.60
Balances in wallets	1.43	1.14
Cash on hand	1.00	0.55
	130.01	**357.03**

12. Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity of more than 3 months and less than 12 months	494.25	544.60
	494.25	**544.60**

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

13. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Trade receivables considered good - unsecured*	658.33	376.11
Trade receivables - credit impaired	0.09	0.82
	658.42	**376.93**
Less: Loss allowance (refer note 41)	(0.09)	(0.82)
Total	**658.33**	**376.11**

* Includes amount receivable from related parties (refer note 39 C)

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Ageing for trade receivables as at March 31, 2024 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	558.28	99.95	0.09	0.01	-	-	658.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.08	0.01	-	-	0.09
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**558.28**	**99.95**	**0.17**	**0.02**	**-**	**-**	**658.42**
Less: Loss allowance							**(0.09)**
							658.33

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	373.67	2.43	0.01	-	-	-	376.11
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.50	0.28	-	-	0.82
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**373.67**	**2.47**	**0.51**	**0.28**	**-**	**-**	**376.93**
Less: Loss allowance							**(0.82)**
							376.11

Note: There are no secured and undisputed trade receivable outstanding as at March 31, 2024 and March 31, 2023.

14. Equity Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
(i) Equity shares of ₹2/- each		
As at beginning of the year (270,883,000 (March 31, 2023: 270,883,000) equity shares)	541.77	541.77
Movement during the year	-	-
As at end of the year (270,883,000 (March 31, 2023: 270,883,000 equity shares of ₹2/- each) equity shares of ₹2 /- each)	**541.77**	**541.77**
Total Authorised share capital	**541.77**	**541.77**
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares of ₹2/- each		
119,536,952 (March 31, 2023: 119,305,676) equity shares of ₹2/- each	239.07	238.61
Less: Amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 119,464 (March 31, 2023: 229,241 equity shares of ₹2/- each) equity shares of ₹2/- each (refer note 34)	(0.00)	(0.00)
Total Issued, subscribed and fully paid up equity share capital	**239.07**	**238.61**
Total issued, subscribed and fully paid up share capital	**239.07**	**238.61**

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

i) Equity shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount ₹	No. of shares	Amount ₹
At the beginning of the year	11,93,05,676	238.61	11,93,05,676	238.61
Add: Issued during the year on account of ESOP exercise	2,31,276	0.46	-	-
Outstanding at the end of the year	**11,95,36,952**	**239.07**	**11,93,05,676**	**238.61**
Less : Recoverable from ESOP trust	(1,19,464)	(0.00)	(2,29,241)	(0.00)
Net outstanding at the end of the year	**11,94,17,488**	**239.07**	**11,90,76,435**	**238.61**

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(b) Terms and rights attached to equity shares

(i) Equity shares

The Company has only one class of equity shares having par value of ₹2 per share (March 31, 2023- ₹2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹2 each fully paid up				
Madhukar Reddy Gangadi	1,53,50,400	12.84%	1,53,50,400	12.87%
PI Opportunities Fund I	98,34,759	8.23%	1,68,34,759	14.11%
Lavender Rose Investment Limited	1,35,63,607	11.35%	1,77,59,127	14.86%
Lone Furrow Investment Private Limited	1,72,80,732	14.46%	1,72,33,240	14.44%
Agilemed Investments Private Limited	1,56,49,495	13.09%	1,56,49,495	13.12%
SBI Mutual Fund	62,10,508	5.20%	79,00,000	6.62%
Nippon Life India Trustee Limited	83,29,987	6.97%	NA	NA

(d) During the five years immediately preceding the year ended March 31, 2024, no equity shares have been bought back or issued for consideration other than cash except for bonus shares issued which has been disclosed in point (f) below

(e) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) & Employee Stock Options and Shares Plan, 2021 (ESOP 2021) of the Company. (Refer note 34)

(f) Details of Bonus issue	Number of shares
During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i) 1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii) 1.25 Series A Compulsorily Convertible Preference Shares ("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

Note: The above mentioned CCPS were converted into equity shares during the year ended March 31, 2022.

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(g) Details of Promoter shareholding

Promoter Name	As at March 31, 2024			As at March 31, 2023	
	No. of Shares	% of total shares	% Increase/ (decrease) during the year	No. of Shares	% of total shares
Madhukar Reddy Gangadi	1,53,50,400	12.84%	(0.03%)	1,53,50,400	12.87%
Agilemed Investments Private Limited	1,56,49,495	13.09%	(0.03%)	1,56,49,495	13.12%
Lone Furrow Investment Private Limited	1,72,80,732	14.46%	0.02%	1,72,33,240	14.44%

15. Other equity

Other equity	As at March 31, 2024	As at March 31, 2023
(i) Securities premium		
Opening balance	11,933.82	11,835.53
Add: Share based payment reserve adjusted against securities premium	-	67.51
Add: Transferred from share based payment reserve upon exercise of options	140.53	30.78
Add: Proceeds from issue of equity shares issued under ESOP	53.19	-
	12,127.54	**11,933.82**
Less: Amount recoverable from ESOP trust (refer note 34)	(77.44)	(77.44)
Add: Proceeds from issue of equity shares under ESOP	36.41	17.75
	(41.03)	**(59.69)**
Closing Balance	**12,086.51**	**11,874.13**
(ii) Share based payment reserve		
Opening balance	304.35	113.94
Add: Gross compensation for options granted during the year	141.05	221.19
Less: Transfer to Security premium account upon exercise of options	(140.53)	(30.78)
Less: Stock options lapsed	(1.25)	-
Closing balance	**303.62**	**304.35**
(iii) General reserve		
Balance at the beginning of the year	355.03	355.03
Add: Stock options lapsed	1.25	-
Balance at the end of the year	**356.28**	**355.03**
(iv) Capital reserve		
Balance at the beginning and end of the year	7.62	7.62
Closing balance	**7.62**	**7.62**
(v) Amalgamation adjustment account		
Balance at the beginning and end of the year	(98.39)	(98.39)
Closing balance	**(98.39)**	**(98.39)**
(vi) Retained earnings		
Opening balance	(1,268.57)	(1,320.45)
Profit for the year	95.81	55.44
Add: Re-measurement gain /(loss) on defined benefit plan	4.35	(3.56)
Closing balance	**(1,168.41)**	**(1,268.57)**
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi))	**11,487.23**	**11,174.17**

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.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

b) Share based payment reserve

The Company has granted equity settled share based payment plans for certain categories of employees of the Company. (refer note 34).

c) General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Retained earnings

Retained earnings are profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Capital reserve

Capital reserve represents reserve created as part of common control business combination during the financial year FY 2020-21.

f) Amalgamation adjustment account

Represents reserve created as part of common control transaction business combination during the financial year FY 2020-21.

16. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
- Total outstanding dues of micro enterprises and small enterprises ('MSME') (refer note 38)	0.17	3.61
- Total outstanding dues of other than micro enterprises and small enterprises:		
- to related parties (refer note 39)	0.80	1.36
- to others	178.51	122.92
	179.48	**127.89**

Ageing of trade payables outstanding as at March 31, 2024 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) Undisputed - MSME	0.17	-	-	-	-	0.17
(ii) Undisputed - Others	12.15	146.98	1.58	0.01	0.04	160.76
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**12.32**	**146.98**	**1.58**	**0.01**	**0.04**	**160.93**
Accrued expenses						**18.55**
						179.48

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed - MSME	0.01	3.60	-	-	-	3.61
(ii) Undisputed Others	0.18	106.36	0.05	0.07	-	106.66
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**0.19**	**109.96**	**0.05**	**0.07**	**-**	**110.27**
Accrued expenses						17.62
						127.89

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

17. Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Lease liabilities (refer note 35 C)	822.04	808.15
	822.04	**808.15**
(b) Current		
Lease liabilities (refer note 35 C)	63.68	49.89
	63.68	**49.89**

18. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for capital goods	4.21	20.20
Employee dues payable	29.56	33.42
Purchase consideration payable (refer note 39)	175.99	175.99
	209.76	**229.61**

19. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Provision for gratuity, partly funded (refer note 33)	15.48	18.35
	15.48	**18.35**
(b) Current		
Provision for gratuity, partly funded (refer note 33)	1.39	1.45
Provision for compensated absences, unfunded	17.84	8.88
	19.23	**10.33**

20. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	27.29	21.02
	27.29	**21.02**

21. Contract liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	5.20	2.34
Unearned revenue	53.82	39.06
	59.02	**41.40**

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

22. Revenue from Operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a. Revenue from contract with customers		
Sale of services	748.85	305.54
Sale of general and pharmaceutical items	3,802.71	1,718.21
	4,551.56	**2,023.75**
b. Other operating revenue		
Management and administrative fees income	37.66	48.75
Brand fee	81.08	66.76
	118.74	**115.51**
Total	**4,670.30**	**2,139.26**

Refer note 39 for transactions with related parties

Disclosures as per Ind AS 115 - Revenue from contract with customers

a. Reconciliation of revenue from contract with customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customers at contracted price	4,932.84	2,193.04
Adjustment: Discounts offered	(381.28)	(169.29)
Revenue from contract with customers	**4,551.56**	**2,023.75**

b. Disaggregation of revenue from contract with customers

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on segment:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Diagnostic services	748.85	305.54
Sale of general and pharmaceutical items	3,802.71	1,718.21
Revenue from contract with customers	**4,551.56**	**2,023.75**

c. Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
As at beginning of the year	39.06	4.41
Add: Invoiced during the year	194.88	114.99
Less: Revenue recognised during the year	(180.12)	(80.34)
As at end of the year	**53.82**	**39.06**

d. Revenues from significant customers

Revenues from one customer amounts to ₹3,921.17 (March 31, 2023: ₹1,833.03) which is 84% of total revenue (March 31, 2023 86%)

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

The following table provides information about contract assets and contract liabilities from contract with customers:

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade receivables (refer note 13)	658.42	376.93
Advance from customers (refer note 21)	5.20	2.34
Unearned revenue on membership fees (refer note 21)	53.82	39.06

23. Other income

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- On bank deposits	55.85	134.66
- financial assets measured at amortised cost	2.17	7.49
Rental income (refer notes 35B and 39)	7.48	6.31
Financial guarantee income (Refer note 39)	-	1.47
Liabilities no longer required written back	1.49	2.69
Gain on de-recognition of right-of-use assets, net	1.37	2.03
Miscellaneous income	4.57	7.74
	72.93	**162.39**

24. Purchases of stock-in-trade

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases of stock-in-trade	3,073.95	1,314.91
	3,073.95	**1,314.91**

25. Cost of materials Consumed

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials (including stores and consumables) at the beginning of the year	55.86	31.94
Add: Purchases during the year	509.13	281.69
Less: Raw materials (including stores and consumables) at the end of the year	119.76	55.86
	445.23	**257.77**

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Finished goods	5.24	4.86
Work-in-progress	5.78	1.25
Stock-in-trade	-	0.95
	11.02	**7.06**
Less : Inventories at the end of the year		
Finished goods	10.59	5.24
Work-in-progress	9.26	5.78
Stock-in-trade	-	-
	19.85	**11.02**
Change in inventories	**(8.83)**	**(3.96)**

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

27. Employee benefits expense

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	374.13	236.72
Contribution to provident fund and other funds (refer note 33)	22.90	12.05
Gratuity expense (refer note 33)	8.96	7.80
Employees stock option compensation expenses (refer note 34)	15.45	18.07
Staff welfare expenses	14.62	6.81
	436.06	**281.45**

28. Depreciation and amortisation expense

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note 3a)	134.16	67.59
Amortisation on Intangible asset (refer note 3c)	8.36	9.43
Depreciation on right-of-use assets (refer note 35)	99.18	76.05
	241.70	**153.07**

29. Finance costs

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on lease liabilities (refer note 35C)	84.02	65.45
	84.02	**65.45**

30. Other expenses

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rates and taxes	5.30	3.91
Electricity charges	47.04	25.72
Communication costs	3.48	1.63
Travelling and conveyance	9.89	6.75
Printing and stationary	2.78	7.62
Legal and professional charges - Doctors Fees	144.73	56.90
Legal and professional charges - Others	16.36	27.08
Payment to auditors (refer note (a) below)	1.82	1.71
Directors sitting fees	5.80	4.85
Insurance	3.27	2.98
Repairs and maintenance on Plant and equipment	51.98	14.52
Advertisement and sales promotion	78.26	62.84
Management and administrative fees	9.95	-
Allowance for expected credit loss, net	0.09	0.43
Allowance on deposits	10.68	-
Allowance on advances	-	3.51
Advances/debts written off	0.32	0.13
Miscellaneous expenses	8.94	5.96
	400.69	**226.54**

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Note (a): Payment to Statutory auditor

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditors:		
Statutory audit fee (including fee for limited review)	1.50	1.50
Certification fee	0.05	-
Reimbursement of expenses	0.27	0.21
	1.82	**1.71**

31. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity holders of the Company	95.81	55.44
Earnings per equity share		
Weighted average number of shares for considered for Basic EPES		
(i) Equity shares		
Number of shares at the beginning of the year	11,93,05,676	11,93,05,676
Add: Exercise of employee stock options during the period	81,220	-
Weighted average number of shares outstanding during the year	**11,93,86,896**	**11,93,05,676**
Add: Impact of dilutive potential equity shares on account of share options granted	6,37,792	3,45,267
Weighted average number of equity shares for diluted EPES*	**12,00,24,688**	**11,96,50,943**
Face value of each equity share (In absolute ₹ terms)	2.00	2.00
Earnings per equity share (In absolute ₹ terms)		
- Basic	0.80	0.46
- Diluted	0.80	0.46

* In line with the requirements of para 28 of Ind AS 33, for the purpose of EPES calculations, bonus shares issued and share split have been considered as if the event of bonus issue/ share split had occurred at the beginning of the earliest year presented.

32. Income tax

(a) Amount recognised in statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current income tax expenses	9.65	20.42
Deferred tax benefit	(35.05)	-
Total income tax expense/(benefit) recognised in standalone statement of Profit and Loss	**(25.40)**	**20.42**

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(b) Reconciliation of provision for income tax of the company and the accounting profit multiplied by India's statutory income tax rate for March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	70.41	75.86
Enacted tax rate in India	25.17%	25.17%
Expected tax expenses	17.72	19.09
Reconciling items:		
Deferred tax benefit accounted on carryforward tax losses and unabsorbed depreciation	(33.59)	-
Tax effect on impairment reversals	-	(22.84)
Others	(5.12)	12.56
Taxes for earlier years	(4.41)	11.61
Total Tax expense	**(25.40)**	**20.42**
Tax expense/(benefit) as per standalone Statement of Profit and Loss	**(25.40)**	**20.42**

(c) As a matter of prudence, the Company as on March 31, 2023 had recorded deferred tax asset (net) of ₹ Nil by restricting aggregate deferred tax asset to ₹212.21 representing amount equivalent to deferred tax liability of ₹212.21, since the Company was not probable that taxable profit will be available against which the unrecognised deferred tax asset on carryforward business loss and unabsorbed depreciation can be utilized. However, during the year ended and as on March 31, 2024, the Company has recognized deferred tax asset considering reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

(d) The components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

Particulars	As at March 31, 2023	Recognised in statement of Profit and Loss	Recognised in OCI	As at March 31, 2024
Deferred tax asset / (liability)				
Property, plant and equipment	-	(26.39)	-	(26.39)
Provision for expenses allowed for tax purpose on payment basis	-	1.82	(1.46)	0.36
Accrual for expenses	-	13.92	-	13.92
Lease liability net of right-of-use assets	-	25.89	-	25.89
Carry forward of business losses	-	19.80	-	19.80
Deferred tax benefit/(expense)		**35.05**	**(1.46)**	
Deferred tax asset, net	**-**			**33.59**

Note 1:

The Company has received a demand notice from income tax authorities for FY 2022-23 of ₹34.86 on account of certain disallowances and additions to the total income. The Company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts by an independent external consultant, the Company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

33. Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Company has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded in the form of a qualifying insurance policy managed by Life Insurance Corporation of India.

The components of gratuity cost recognised in the standalone statement of profit and loss for the year ended March 31, 2024 and March 31, 2023 consist of the following:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	23.78	12.34
Current service cost	7.71	7.14
Interest on defined obligations	1.69	0.89
Benefits paid	(2.49)	(0.05)
Re-measurements due to:		
- change in assumptions	0.54	(0.29)
- due to experience adjustment	(6.00)	3.75
Defined benefit obligations at the end of the year	**25.23**	**23.78**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	3.98	3.82
Employer contributions	6.03	0.03
Employer Direct benefits payments	0.10	0.05
Interest on plan assets	0.44	0.28
Benefits paid	(2.49)	(0.05)
Expenses	(0.05)	(0.04)
Remeasurements-return on plan assets	0.35	(0.11)
Plan assets at the end of the year	**8.36**	**3.98**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	7.71	7.14
Interest on net defined benefit liability, net	1.69	0.94
Expected return on plan assets	(0.44)	(0.28)
Gratuity expenses recognised in statement of profit and loss	**8.96**	**7.80**
Remeasurement on the net defined benefit plan recongised in OCI:		
Remeasurements - due to change in assumptions	0.54	(0.29)
Remeasurements - due to experience adjustment	(6.00)	3.75
Remeasurements - return on plan assets	(0.35)	0.10
Components of defined benefit costs recognised in other comprehensive income	**(5.81)**	**3.56**

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Details of the employee defined benefits obligations and plan assets are provided below:

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	25.23	23.78
Fair value of plan assets	(8.36)	(3.98)
Net defined benefit liability	**16.87**	**19.80**

Plan assets

Plan assets comprise of the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by Life Insurance Corporation of India	8.36	3.98
	8.36	**3.98**

The Company makes contribution to the Life Insurance Corporation of India ('LIC') of an amount advised by LIC. The Company was not informed by LIC of the investments made by them or the breakup of the plan assets in to various type of investments.

Bifurcation of net defined benefit liability

Particulars	As at March 31, 2024	As at March 31, 2023
Current liabilities	1.39	1.45
Non- current Liabilities	15.48	18.35
	16.87	**19.80**

Sensitivity Analysis: (Increase / (decrease) in obligation)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(2.00)	(1.64)
- 1% decrease	2.32	1.88
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	2.02	1.56
- 1% decrease	(1.78)	(1.42)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.43)	(0.28)
- 1% decrease	0.47	0.29
(d) Effect of 10% change in assumed mortality rate		
- 10% increase	-	-
- 10% decrease	-	-

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Key actuarial assumptions:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.25%	7.51%
Rate of return of plan assets	7.25%	7.51%
Attrition rate	10.00%	10.00%
Rate of compensation increase	9.00%	9.00%

The expected future cash flows in respect of gratuity were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Expected future benefit payments		
Less than a year	1.39	2.09
Between 2-5 years	9.84	10.38
More than 5 years	45.40	36.57

The weighted average duration of the defined benefit obligation is 10.00 years (March 31, 2023 : 8.49 years)

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 contribution to provident fund and employee state insurance for the year aggregated to ₹22.90 (March 31, 2023: ₹12.05) (refer note 27).

II. Other benefits - Leave Encashment

The employees of the Company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leaves is recognized in the year in which the absences occur.

The amount recognised as an expense towards leave compensated absences for the year aggregated to ₹10.75 (March 31, 2023: ₹3.25).

34. Employee stock option plan

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares.

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 options to the Trust.

The Company has allotted (before giving impact of bonus and split) 4,110 equity options and 5,563 options to the trust at premium of ₹11,016 per Option and ₹5,781 per Option respectively, aggregating total securities premium of ₹77.44 millions

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Amount receivable from the trust for options granted aggregating to ₹77.54 (Face value – ₹0.10 and Premium of ₹77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year March 31, 2024: 238 (March 31, 2023: 416) options were exercised by employees which resulted in

(i) increase in year ended paid up capital by March 31, 2024 ₹0.00 (March 31, 2023: ₹0.00) and

(ii) increase of securities premium by March 31, 2024 ₹Nil (March 31, 2023: ₹Nil)

Further, recovery of ₹18.64 (March 31, 2023: ₹11.89) from ESOP trust was done on account of exercised options during the year ended March 31, 2024

(b) The details of the activity have been summarized below

Particulars	For the year ended March 31, 2024 (No. of options)	For the year ended March 31, 2023 (No. of options)
Outstanding at the beginning of the year	389	905
Exercisable at the beginning of the year	100	300
Exercised during the year	238	416
Vested during the year	149	216
Expired during the year	-	100
Outstanding at the end of the year*	151	389
Exercisable at the end of the year	11	100
Weighted average remaining contractual life (in years)	-	-

*One option equals to 461.25 equity shares

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2024 the Company has granted 16,967 (March 31, 2023: 95,941) Options to its employees Nil (March 31, 2023: 36,900) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of ₹628 per option on March 31, 2024 (March 31, 2023: 541.98).

Employees stock option and share plan 2021

Particulars	As at March 31, 2024	As at March 31, 2023
Number of options granted	16,967	1,32,841
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	1,697 options vest in 12 months from the grant date. 4,242 options vest in 24 months from the grant date. 4,242 options vest in 30 months from the grant date. 6,786 options vest in 36 months from the grant date.	9,594 options vest in 12 months from the grant date. 23,985options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377options vest in 36 months from the grant date.
Exercise period	3 years Committee may extend the Exercise period on case to case basis.	3 years Committee may extend the Exercise period on case to case basis.
Vesting conditions	None	None

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(b) The details of the activity have been summarized below

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	(No. of options)	(No. of options)
Outstanding at the beginning of the year	10,37,758	9,35,904
Exercisable at the beginning of the year	1,04,328	-
Granted during the year	16,967	1,32,841
Forfeited during the year	46,320	30,987
Exercised during the year	2,31,276	-
Vested during the year	2,35,253	1,04,328
Expired during the year	2,054	-
Outstanding at the end of the year	7,75,075	10,37,758
Exercisable at the end of the year	1,06,251	1,04,328
Weighted average remaining contractual life (in years)	-	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2024	March 31, 2023
Weighted average share price/ market value	773.50	634.55
Exercise price (₹ per share)	628.00	541.98
Options granted	16,967	1,32,841
Date of grant	December 21, 2023	March 30, 2023
Expected volatility	27.00%	20.00%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period +4 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	6.75% - 7.25%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	268.00	204.00

Effect of the employee option plan on the standalone Statement of Profit and Loss and on its financial position

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total employee compensation cost pertaining to stock option plan *	15.45	18.07
Reserves - employee stock option plan outstanding as at the period end	303.62	304.35

*Does not include ₹125.59 (March 31, 2023: ₹203.12) pertaining to ESOP issued to the employees of subsidiaries.

35. Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A Movement of right of use asset for the year ended March 31, 2024 and March 31, 2023:

Particulars	Machinery	Buildings	Total
Gross carrying amount			
As at April 01, 2022	-	**471.61**	**471.61**
Additions	62.55	446.40	508.95
Deletions	-	(46.96)	(46.96)
As at March 31, 2023	**62.55**	**871.05**	**933.60**
Additions	-	112.25	112.25
Deletions	(5.34)	(40.74)	(46.08)
As at March 31, 2024	**57.21**	**942.56**	**999.77**
Accumulated Depreciation			
Upto April 01, 2022	-	38.87	38.87
Charge for the year	2.96	73.09	76.05
Deletions	-	(5.72)	(5.72)
Upto March 31, 2023	**2.96**	**106.24**	**109.20**
Charge for the year	2.96	96.22	99.18
Deletions	(0.76)	(8.09)	(8.85)
Upto March 31, 2024	**5.16**	**194.37**	**199.53**
Net Carrying amounts			
Balance as at March 31, 2023	**59.59**	**764.81**	**824.40**
Balance as at March 31, 2024	**52.05**	**748.19**	**800.24**

* The aggregate depreciation expenses for the year on right -of-use assets is included under depreciation and amortisation expense in the Statement of profit and loss.

B The following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental income from sub-lease	7.48	6.31

C Movement of lease liabilities for the year ended March 31, 2024 and March 31, 2023:

Particulars	Machinery	Buildings	Total
Balance as at April 01, 2022	-	**444.16**	**444.16**
Additions	56.08	431.11	487.19
Finance cost accrued during the year	2.12	63.33	65.45
Deletions	-	43.28	43.28
Payment of lease liabilities	4.10	91.38	95.48
Balance as at March 31, 2023	**54.10**	**803.94**	**858.04**
Additions	-	111.06	111.06
Finance cost accrued during the year	4.82	79.20	84.02
Deletions	-	35.65	35.65
Payment of lease liabilities	9.34	122.41	131.75
Balance as at March 31, 2024	**49.58**	**836.14**	**885.72**

* Lease payments during the year have been disclosed under financing activities in the Statement of Cash flows.

Bifurcation of lease liabilities	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities	822.04	808.15
Current lease liabilities	63.68	49.89

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

D The following is the cash outflow on leases during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment of lease liabilities	131.75	95.48
Total cash outflow on leases	**131.75**	**95.48**

E The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Less than 1 year	134.53	129.08
1 to 5 years	546.61	649.99
Over 5 years	750.16	739.51

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.

F The following is the amount recognised in profit or loss during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on lease liabilities	84.02	65.45
Short-term lease expense	-	-
Rental income from sub-lease	(7.48)	(6.31)

36. Operating segment

In accordance with Ind AS 108, Operating Segments, segment information has been given in the consolidated financial statements of MedPlus Health Services Limited and therefore no separate disclosure on segment information is given in these standalone financial statements.

37. Capital Commitments

As at March 31, 2024 the Company has commitments of ₹6.02 relating to contracts remaining to be executed on capital account. (March 31, 2023: ₹22.51)

38. Details of dues of micro enterprises and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 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.

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	0.17	3.61
- 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 for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note: This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

39. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. NovaSud Pharmaceuticals Private Limited
4. Wynclark Pharmaceuticals Private Limited
5. Kalyani Meditimes Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director & Chief Executive Officer
2. C. Bhaskar Reddy – Whole time Director (w.e.f October 26, 2023)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Shilpi Keswani- Company Secretary (upto March 30, 2023)
6. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(iii) Directors

1. Murali Sivaraman - Independent Director
2. Madhavan Ganesan - Independent Director
3. Hiroo Mirchandani - Independent Director
4. Anish Kumar Saraf- Non Executive Director
5. Atul Gupta- Non executive Director (upto September 26, 2023)

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited
3. Lone Furrow Investments Private Limited

(v) Employee Benefit Plans

1. MedPlus Employees Group Grautity Assurance Scheme

B Related party transactions during the year ended

(i) Subsidiaries	For the year ended March 31, 2024	For the year ended March 31, 2023
1. Optival Health Solutions Private Limited		
Rental income	7.38	6.30
Lease payments [including GST of ₹2.13 (March 31,2023 : GST of ₹1.85)]	16.05	12.48
Management services rendered	37.38	48.06
Management services received [including GST of ₹0.89(March 31,2023 : GST of ₹ Nil)]	9.95	-
Brand fee received	81.08	66.76
Sale of stock-in-trade (net of taxes)	3,766.61	1,664.92
Sale of goods	36.13	53.28
Purchase of Materials	1.07	0.56
Sale of intangible asset	-	7.84
Sale of property plant and equipment	0.56	-
Purchase of Property plant and equipment [including GST of ₹1.28 (March 31,2023 : GST of ₹2.12)]	9.52	14.23
Software subscription fees received	-	6.25
Collection comission expense paid	5.01	5.47
Collection comission received	0.02	-
Payment made on behalf of	0.28	-
Amount collected on behalf of the company	31.70	64.03
Investment made	-	4,671.74
Deemed investment		
Corporate Guarantee income	-	1.47
Share-based payment expense (refer note 34)	124.59	201.73
2. MHS Pharmaceuticals Private Limited		
Lease payments	7.03	7.17
Reimbursement of expenses	-	0.17
3. Wynclark Pharmaceuticals Private Limited		
Management services rendered	0.28	0.68
Reimbursement of expenses	0.21	0.14

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(i) Subsidiaries (continued)	For the year ended March 31, 2024	For the year ended March 31, 2023
4. Venkata Krishna Enterprises Private Limited		
Share-based payment expense	0.82	1.15
5. Kalyani Meditimes Private Limited		
Unsecured loan given (refer note 6)	-	2.00
Unsecured loan repayment	-	12.00
Interest on unsecured loan	-	3.77
Purchase of intangible asset [including GST of ₹Nil (March 31, 2023 : GST of ₹3.51)]	-	23.01
Software license fees	-	0.02
Provision for doubtful receivables	-	56.33
6. Sidson Pharma Distributors Private Limited		
Share-based payment expense	0.17	0.24
7. MedPlus Insurance Brokers Private Limited		
Investment in subsidiary (refer note 5)	-	20.00
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of Property, plant and equipment (Moulds)	9.84	25.30
Purchase of goods	0.12	1.40
Sale of Property, plant and equipment (Moulds)	10.02	-
Other Repair and Maintenance received	1.95	1.93
Lease payments	2.70	2.70
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03

(iii) Key Management Personnel	For the year ended March 31, 2024	For the year ended March 31, 2023
1. G. Madhukar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	4.00	4.00
- Post employment benefits	0.20	0.81
b. Rent	0.08	0.08
2. C. Bhaskar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	5.01	-
- Post employment benefits	0.20	-
3. Hemanth Kundavaram		
a. Remuneration		
- Short-term employee benefits	-	2.14
4. Shilpi Keswani		
a. Remuneration		
- Short-term employee benefits	-	1.03
5. Sujit Kumar Mahato		
a. Remuneration		
- Short-term employee benefits	13.71	4.37
- Post employment benefits	0.04	0.06
b. Share-based payment expense	7.22	0.04

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(iii) Key Management Personnel (continued)	For the year ended March 31, 2024	For the year ended March 31, 2023
6. Manoj Kumar Srivastava		
a. Remuneration		
- Short-term employee benefits	5.01	-
- Post employment benefits	0.01	-
b. Share-based payment expense	0.47	-
7. Sitting fees paid to directors	5.80	4.85
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Grautity Assurance Scheme		
Employer contributions	6.03	0.03

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Balances outstanding receivable/(payable)*	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Subsidiaries		
1. Optival Health Solutions Private Limited		
Trade receivables	654.96	375.21
2. MHS Pharmaceuticals Private Limited		
Purchase consideration payable	(175.99)	(175.99)
Trade payables	(0.65)	-
Rent payable	-	(1.36)
3. Wynclark Pharmaceuticals Private Limited		
Trade receivables	-	0.10
Trade payables	(0.14)	-
4. Kalyani Meditimes Private Limited** (refer note 5)		
Loan receivable (fully provided)	17.82	17.82
Interest receivable (fully provided for)	0.56	0.56
(ii) Key management personnel		
1. G. Madhukar Reddy	1.65	1.71
2. C. Bhaskar Reddy	1.82	-
3. Sujit Kumar Mahato	0.63	0.31
4. Manoj Kumar Srivastava	0.60	-
(iii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	3.82	0.30
2. Agilemed Investments Private Limited	0.03	-
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Grautity Assurance Scheme		
a. Group gratuity plan asset	8.36	3.98

* Excluding equity shares of the Company, investments and deemed investments. (refer note 5&14)

** Accrued interest of ₹2.96 (March 31, 2023 : ₹2.96) are not included

Note:

1. All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Company has recorded impairment of balances relating to amounts owed by related party during the year ended March 31, 2024, provision for bad and doubtful debts will be made on an aggregate basis i.e. not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.

2. Managerial remuneration does not include post employment benefit which is determined for Company as whole

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

40. Financial instruments Fair Values

Refer note 2.2(o.)for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	Carrying value	
	As at March 31, 2024	As at March 31, 2023
Financial assets measured at amortised cost (excluding investments in subsidiaries) :		
a) Trade receivables	658.33	376.11
b) Cash and cash equivalents	130.01	357.03
c) Bank balances other than Cash and cash equivalents	494.25	544.60
d) Other financial assets (current & non current)	319.46	81.37
Total Financial assets	**1,602.05**	**1,359.11**
Financial liabilities measured at amortised cost:		
a) Trade payables	179.48	127.89
b) Lease liabilities	885.72	858.04
c) Other financial liabilities	209.76	229.61
Total Financial Liabilities	**1,274.96**	**1,215.54**

Particulars	Fair value	
	As at March 31, 2024	As at March 31, 2023
Financial assets measured at amortised cost (excluding investments in subsidiaries) :		
a) Trade receivables	658.33	376.11
b) Cash and cash equivalents	130.01	357.03
c) Bank balances other than Cash and cash equivalents	494.25	544.60
d) Other financial assets (current & non current)	319.46	81.37
Total Financial assets	**1,602.05**	**1,359.11**
Financial liabilities measured at amortised cost:		
a) Trade payables	179.48	127.89
b) Lease liabilities	885.72	858.04
c) Other financial liabilities	209.76	229.61
Total Financial Liabilities	**1,274.96**	**1,215.54**

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 2.2d for accounting policy on Fair value.

The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and lease liabilities subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

There are no transfers between levels 1 and 2 during the year.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

41. Financial risk management

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and investments. The Company's principal financial assets include investments in subsidiaries, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes. The Company's Financial instruments are not affected by market risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit 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 ₹658.42,₹376.93 as of March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of balances with trade receivables.

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2024	658.23	0.19	658.42
As at March 31, 2023	376.14	0.79	376.93

The following table summarizes the movement in the allowances for impairment in respect of trade receivables :

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	0.82	0.39
Loss allowance recognised / (reversed) during the year	(0.73)	0.43
Balance at the end of the year	0.09	0.82

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the period subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2024:					
Trade payables	-	177.85	1.63	-	179.48
Lease liabilities	-	134.53	546.61	750.16	1,431.30
Other financial liabilities	-	209.76	-	-	209.76
	-	**522.14**	**548.24**	**750.16**	**1,820.54**

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:					
Trade payables	-	127.59	0.30	-	127.89
Lease liability	-	129.08	649.99	739.51	1,518.58
Other financial liabilities	-	229.61	-	-	229.61
	-	**486.28**	**650.29**	**739.51**	**1,876.08**

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.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Total Borrowings net of cash and cash equivalents	-	-
Equity	239.07	238.61
Other Equity	11,487.23	11,174.17
Total Equity	**11,726.30**	**11,412.78**

Debt to equity ratio is zero, since the Company doesn't have borrowings as at March 31,2024 and March 31, 2023.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31,2024

43. Details of Corporate Social Responsibilities expenditure

The Company is not required to spend any amount towards CSR as per the provisions of Section 135 of the Companies Act, 2013 since the Company has losses in previous years.

44. The Company does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

45. During the earlier years the Company has granted loans and made investment in some of its subsidiaries. Loans has been given for general corporate and working capital purpose respectively. None of those loans have been utilized by the subsidiaries for further advancement of loans/investment for the year ended March 31, 2024 and March 31, 2023.

46. Other statutory information

(i) Based on the available information, the Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(v) The Company have not advanced or loaned or invested funds other than disclosed in note 45 to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

(viii) The Company is not declared as Wilful Defaulter by any Bank or Financial Institution or other lender.

(ix) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(x) The company is not part of any group (as per the provisions of Core Investment Companies (Reserve Bank) Directions, 2016 as amended).

47. Initial Public Offer and Utilization of Proceeds

The Company has completed an Initial Public Offer ('IPO') of 1,75,73,342 equity shares of face value of ₹2 each during the year ended March 31, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 75,44,511 equity shares by the Company for an amount of ₹6,000.00 and an offer for sale of 1,00,28,831 equity shares by certain shareholders for an amount of ₹7,982.95. Further, an amount of ₹536.83 has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer size, with the Company' share of expenses aggregating to ₹217.27 being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the Company (Net of IPO related expense) is summarized below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31, 2024	Unutilised amount as on March 31, 2024*
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	448.53	662.50
Total	**5,782.73**	**5,120.23**	**662.50**

* These amounts are placed as fixed deposits with bank.

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

48 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current assets	1,759.29	1,505.84
Current Liabilities	558.46	480.14
Ratio	3.15	3.14
% Change from previous year	**0%**	

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	As at March 31, 2024	As at March 31, 2023
Net profit after tax	95.81	55.44
Average Equity	11,569.54	11,270.30
Ratio	0.01	0.00
% Change from previous year	**68%**	

Reason for change:

The ratio has increased from 0.00 in March 2023 to 0.01 in March 2024 mainly due to increase in net profit after tax, which is on account of increase in operations of the Company.

e) Inventory Turnover Ratio = Cost of materials consumed divided by average inventory

Particulars	As at March 31, 2024	As at March 31, 2023
Cost of materials consumed	445.23	257.77
Average inventory	87.81	47.43
Inventory Turnover Ratio	5.07	5.43
% Change from previous year	**-7%**	

f) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Sales	4,670.30	2,139.26
Average trade receivables	517.68	295.10
Ratio	9.02	7.25
% Change from previous year	**24%**	

Notes to Standalone **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Credit Purchases	3,583.08	1,596.60
Average trade payables	153.68	91.59
Ratio	23.31	17.43
% Change from previous year	**34%**	

Reason for change:

The ratio has increased from 17.43 in March 2023 to 23.31 in March 2024 mainly due increase in the purchase of private label products.

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital = current assets - current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue from operations	4,670.30	2,139.26
Net working capital (Current assets - Current liabilities)	1,200.83	1,025.70
Ratio	3.89	2.09
% Change from previous year	**86%**	

Reason for change:

The ratio has increased from 2.09 in March 2023 to 3.89 in March 2024 mainly due to increase in sales.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	As at March 31, 2024	As at March 31, 2023
Net profit /(loss) after tax	95.81	55.44
Sales	4,670.30	2,139.26
Ratio	0.02	0.03
% Change from previous year	**33%**	

Reason for change:

The ratio has decreased from 0.03 in March 2023 to 0.02 in March 2024 mainly due to impairment reversal accounted in previous year which was a one time benefit and not recurring in current period.

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	As at March 31, 2024	As at March 31, 2023
Profit after tax (A)	95.81	55.44
Finance Costs (B)	84.02	65.45
Tax expenses (C)	(25.40)	20.42
EBIT (D) = (A)+(B)+(C)	154.43	141.31
Total Equity (E)	11,726.30	11,412.78
Other Intangible assets (F)	25.77	34.14
Intangible assets under development (G)	-	-
Tangible Net worth (H)=(E)-(F)-(G)	11,700.53	11,378.64
Total Debt (I)	-	-
Deferred Tax asset (J)	33.59	-
Capital Employed (K)=(H)+(I)-(J)	11,666.94	11,378.64
Ratio (D)/(K)	0.01	0.01
% Change from previous year	**7%**	

Notes to Standalone Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

k) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Net profit after tax	95.81	55.44
Average equity	11,569.54	11,270.30
Ratio (percentage)	1%	0%
% Change from previous year	**68%**	

Average equity means Average of Equity as on beginning and end of the year

Reason for change:

The ratio has increased from 0.00 in March 2023 to 0.01 in March 2024 mainly due to increase in net profit after tax, which is mainly on account of increase in operations of the Company.

Note: Explanations for movement in ratios have been given only where the movement is more than 25%.

49. The Company does not have any contingent liabilities as on March 31, 2024 and March 31, 2023.

50. During the year ended March 31, 2024, with respect to the merger between the Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, the Company has received approval from equity shareholders and trade creditors at their meetings held on December 15, 2023 pursuant to NCLT order dated November 7, 2023. The Company has filed the final petition for approval under Section 232 Read with Section 230 of the Companies Act, 2013 dated December 26, 2023. Further, the hearing for final approval has been adjourned to June 13, 2024. Consequent adjustments will be made on receipt of requisite approval.

As per our report of even date attached.

For **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Hyderabad, May 28, 2024

Independent **Auditor's Report**

To the Members of MedPlus Health Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MedPlus Health Services Limited (hereinafter referred to as the "Holding Company"), its employee benefit trust and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate 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 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

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.

Timing of Recognition of Revenue:

See Note 27 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
Revenue from the sale of goods is recognised when the control of the products being sold is transferred to the customer. A significant part of Group's revenue relates to retail sales through a large number of leased outlets and comprises high volume of individually small transactions made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately. Revenue is a key performance indicator for the Group. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed. In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significane 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 audit procedures by selecting samples using statistical sampling of revenue transactions recorded during the year by verifying the sales invoices and other underlying documents. We tested the periodic reconciliation of the retail sales recognised during the period with the statutory filings (goods and service tax returns). On a sample basis, performed cash counts, at selected stores and examined if the cash balances are in agreement with the books. We examined 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 during 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 financial statements and auditor's reports thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Director's/ Board of Trustee's Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies/Trustee of the Trust 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 Trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies/Trustee of the Trust included in the Group are responsible for assessing the ability of each Company and Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Trustee 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/ Trustee of the Trust included in the Group are responsible for overseeing the financial reporting process of each Company and Trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a

Independent Auditor's Report (Contd.)

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 most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements of eleven subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of ₹2,081.80 millions as at 31 March 2024, total revenues (before consolidation adjustments) of ₹13,134.84 millions and total net profit after tax (before consolidation adjustments) of ₹96.74 millions and net cash inflows (before consolidation adjustments) amounting to ₹40.61 millions 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 this matter 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, except for:

– the back-up of key Microsoft Excel Spreadhsheets relating to financial reporting and Payroll Software which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India on a daily basis; and

– the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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 on various dates and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other 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 2024 on the consolidated financial position of the Group. Refer Note 41(B) 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 2024.

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 2024.

Independent Auditor's Report (Contd.)

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 52(vi) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 52(vii) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, and as communicated by the respective auditors of all subsidiaries, except for the instances mentioned below, the Holding Company and its subsidiary companies incorporated in India have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

- In case of the Holding Company and its seven subsidiary companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct changes for the accounting software used for maintaining the books of account relating to revenue, procurement and inventory processes for the period 1 April 2023 to 22 December 2023.

- In case of the Holding Company and all its subsidiary companies incorporated in India, feature of recording audit trail (edit log) facility was not enabled at the application level of the accounting software used for maintaining the books of account for certain tables relating to Purchase, Production inventory, Revenue to receivables, financial reporting.

- In the absence of reporting on compliance with audit trail requirements in the independent auditor's report of a service organization for the database level of the accounting software used for maintaining the books of account relating to Purchase, Production inventory, Revenue to receivables, financial reporting for Holding Company and all its subsidiary companies incorporated in India, we are unable to comment whether the audit trail feature for

Independent Auditor's Report (Contd.)

the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

- In case of the Holding Company and one subsidiary company, the feature of recording audit trail (edit log) facility was not enabled for the accounting software used for maintaining the books of account relating to payroll process.

Further, for the periods where audit trail (edit log) facility was enabled and operated for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

C. In our opinion and according to the information and explanations give to us, the remuneration paid/payable during the current year by the the Holding Company 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 is not in excess of the limit laid down under Section 197 of the Act. The subsidiary companies incorporated in India have not paid any remuneration to its directors during the year. 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 and Co**
Chartered Accountants
Firm's Registration No.:128510W

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:24125710BKFZNX5081

Place: New Delhi
Date: 28 May 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of MedPlus Health Services Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

S. No.	Name of the entities	CIN	Holding Company / Subsidiaries	Clause number of the CARO report which is unfavourable or qualified or adverse
1	MedPlus Health Services Limited	L85110TG2006PLC051845	Holding Company	Clauses (i)(c), (iii)(c), (iii)(d), (iii)(f) and (vii)(b)
2	Optival Health Solutions Private Limited	U85110TG2005PTC046821	Subsidiary Company	Clauses (i)(a)(A) and (vii)(b)
3	Clearancekart Private Limited	U52100TG2021PTC149432	Subsidiary Company	Clauses (xvii) and (xix)
4	Deccan Medisales Private Limited	U51397KA2011PTC059204	Subsidiary Company	Clause (vii)(b)
5	Kalyani Meditimes Private Limited	U74999TN2016PTC111701	Subsidiary Company	Clauses (vii)(a), (ix)(a), (xvii) and (xix)
6	Sai Sridhar Pharma Private Limited	U24232TG2007PTC055902	Subsidiary Company	Clause (vii)(a)
7	Shri Banashankari Pharma Private Limited	U74900KA2014PTC074302	Subsidiary Company	Clause (xvii)
8	Sidson Pharma Distributors Private Limited	U74900TG2014PTC092145	Subsidiary Company	Clause (ii)(a)

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:24125710BKFZNX5081

Place: New Delhi
Date: 28 May 2024

Annexure B to the Independent Auditor’s Report on the consolidated financial statements of MedPlus Health Services Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of MedPlus Health Services Limited (hereinafter referred to as “the Holding Company”) as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s and Board of Director's Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited for the year ended 31 March 2024 (Contd.)

A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to eleven subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R and Co**
Chartered Accountants
Firm's Registration No.:128510W

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:24125710BKFZNX5081

Place: New Delhi
Date: 28 May 2024

Consolidated Balance Sheet as at March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,185.71	2,883.35
Capital work-in-progress	5	54.69	239.09
Goodwill	6	414.51	414.51
Other intangible assets	6	44.67	59.76
Intangible assets under development	6.a	56.12	15.62
Right-of-use assets	7	8,773.39	8,021.99
Financial assets			
Loans	8	-	-
Other financial assets	9	827.21	699.67
Deferred tax assets (net)	37	849.94	658.12
Other tax assets	10	129.87	113.78
Other non-current assets	11	36.38	54.08
		14,372.49	**13,159.97**
Current Assets			
Inventories	12	13,402.34	11,440.87
Financial assets			
Current investments	13	-	0.33
Trade receivables	14	175.04	86.51
Cash and cash equivalents	15	912.09	2,283.75
Bank balances other than cash and cash equivalents	16	504.73	554.60
Other financial assets	9	325.55	122.66
Current tax assets (net)	10	0.46	1.50
Other current assets	11	355.31	316.99
		15,675.52	**14,807.21**
Total Assets		**30,048.01**	**27,967.18**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	239.07	238.61
Other equity	18	15,540.25	14,673.17
Total equity attributable to the owners of the Company		**15,779.32**	**14,911.78**
Non-controlling interest		**(5.73)**	**(6.77)**
Total Equity		**15,773.59**	**14,905.01**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	21	8,680.83	8,011.80
Other financial liabilities	20	9.35	7.08
Provisions	22	324.89	277.46
		9,015.07	**8,296.34**
Current Liabilities			
Financial liabilities			
Borrowings	19	-	-
Lease liabilities	21	1,414.86	987.44
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		77.87	126.35
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,452.48	2,475.09
Other financial liabilities	20	705.42	667.50
Other current liabilities	24	140.13	145.11
Provisions	22	306.73	260.64
Contract liabilities	25	157.72	93.41
Current tax liabilities (net)	26	4.14	10.29
		5,259.35	**4,765.83**
Total Liabilities		**14,274.42**	**13,062.17**
Total Equity and Liabilities		**30,048.01**	**27,967.18**

Summary of Material 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 and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Hyderabad, May 28, 2024

Consolidated **Statement of Profit and Loss** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	27	56,248.55	45,575.76
Other income	28	400.08	460.78
Total income (I)		**56,648.63**	**46,036.54**
Expenses			
Purchases of stock-in-trade		45,378.53	37,529.32
Cost of materials consumed	29	445.30	258.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,907.55)	(2,211.24)
Employee benefits expense	31	6,255.19	5,451.29
Finance costs	33	964.33	830.27
Depreciation and amortisation expense	32	2,242.14	1,815.56
Other expenses	34	2,536.26	1,890.91
Total expenses (II)		**55,914.20**	**45,564.91**
Profit before tax (III) = (I)-(II)		**734.43**	**471.63**
Tax expenses	37		
- Current tax **(IV)**		271.03	180.53
- Deferred tax benefit **(V)**		(192.37)	(209.95)
Total tax (benefit) / expenses (VI) = (IV)+(V)		78.66	(29.42)
Profit for the year (VII) = (III)-(VI)		**655.77**	**501.05**
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to subsequently to Statement of profit or loss:			
Re-measurement gain on employee defined benefit plans (VIII)	38A.	0.02	4.61
Income tax effect on the above (IX)	37	(0.57)	(1.27)
Other comprehensive (loss)/ income for the year (X) = (VIII)+(IX)		**(0.55)**	**3.34**
Total comprehensive income for the year (XI) = (VII)+(X)		**655.22**	**504.39**
Profit for the year attributable to:			
Equity Holders of the Parent Company		654.73	497.63
Non-controlling interest		1.04	3.42
		655.77	**501.05**
Total comprehensive income attributable to:			
Equity Holders of the Parent Company		654.18	500.97
Non-controlling interest		1.04	3.42
		655.22	**504.39**
Earnings per equity share (EPES) (In absolute ₹ terms)	36		
Basic		5.48	4.17
Diluted		5.45	4.17

Summary of Material 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 and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 28, 2024

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 28, 2024

Consolidated **Statement of Cash Flows** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flow from operating activities		
Profit before tax	734.43	471.63
Adjustments for:		
Depreciation of property, plant and equipment	661.89	450.60
Amortisation of intangible assets	18.29	17.11
Depreciation of right-of-use assets	1,561.96	1,352.64
Provision for gratuity and leave benefits	193.71	162.56
Loss allowance on doubtful debts, deposits and advances	14.27	11.76
Finance costs	0.65	9.16
Interest on lease liabilities	963.68	821.11
Loss on sale/ discard of property, plant and equipment	4.53	3.54
Advances/debts written off	2.16	1.08
Interest income	(209.38)	(277.88)
Profit on sale of current investment	0.19	-
Employees stock option compensation expenses	141.04	221.19
Gain on de-recognition of right-of-use assets	(45.22)	(42.00)
Liabilities no longer required written back	(1.59)	(3.23)
Operating profit before working capital changes	**4,040.61**	**3,199.27**
Change in assets and liabilities		
Increase in inventories	(1,961.47)	(2,291.03)
Increase in non-current financial assets	(166.68)	(201.34)
(Increase) / Decrease in current financial assets	(108.46)	162.50
Increase in other assets	(42.72)	(100.43)
Increase in financial liabilities	9.16	278.21
Increase in other current liabilities	59.33	36.83
Decrease in provisions	(100.17)	(40.58)
Cash generated from operations	**1,729.60**	**1,043.43**
Income tax paid, net	(292.23)	(139.35)
Net cash generated from operating activities (A)	**1,437.37**	**904.08**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(843.99)	(1,690.05)
Proceeds from sale of property, plant and equipment	15.56	1.60
Proceeds from maturity of bank deposits	960.84	6,913.05
Investment in bank deposits	(1,096.44)	(1,154.87)
Interest received	136.04	224.70
Net cash generated from/ (used in) investing activities (B)	**(827.99)**	**4,294.43**

Consolidated **Statement of Cash Flows** for the year ended March 31, 2024 (contd.)

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from financing activities		
Proceeds from exercise of stock options	72.31	11.89
Interest on Lease Liabilities	(963.68)	(821.11)
Principal payment of lease liabilities	(1,089.02)	(884.11)
Interest paid	(0.65)	(9.16)
Net cash used in financing activities (C)	**(1,981.04)**	**(1,702.49)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,371.66)	3,496.02
Cash and cash equivalents at the beginning of the year	2,283.75	(1,212.27)
Cash and cash equivalents at the end of the year	**912.09**	**2,283.75**
Components of cash and cash equivalents		
Cash on hand	119.59	90.07
Bank deposits with original maturity of less than three months	426.23	1,856.36
Balances in wallets	127.20	93.62
Balance with banks in current accounts	239.07	243.70
Cash and cash equivalents for Cash flow statement	**912.09**	**2,283.75**

Summary of material accounting policies 2.2

Notes:

a. Movement disclosure under Ind AS 7 with respect to borrowings are not applicable as the Group does not have any long term borrowings.

b. Refer note 40 for change in lease liabilities arising from financing activities

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

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Managing Director & CEO
DIN: 00098097

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Sujit Kumar Mahato
Chief Financial Officer

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Hyderabad, May 28, 2024

Consolidated **Statement of Changes in Equity** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. Equity Share Capital:

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2023	Changes in equity share capital during the year*	Balance as at March 31, 2024
238.61	-	238.61	0.46	239.07

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.61	-	238.61	(0.00)	238.61

* refer note 17.

B. Other Equity

Particulars	Other Components of equity					Total other equity	Attributable to Non controlling Interest	Total
	Reserves and surplus							
	Securities premium	Share based payments reserve	General reserve	Capital reserve	Retained earnings			
As at April 1, 2022	**11,831.48**	**113.94**	**355.03**	**0.92**	**1,637.76**	**13,939.13**	**(5.19)**	**13,933.94**
Employee stock option compensation expenses for the year	-	221.19	-	-	-	221.19	-	221.19
Transfer on account of exercise of share options	30.78	(30.78)	-	-	-	-	-	-
Proceeds from issue of equity shares under ESOP	11.88	-	-	-	-	11.88	-	11.88
Acquisition of minority interest of subsidiary during the year	-	-	-	-	-	-	(5.00)	(5.00)
Profit for the year	-	-	-	-	497.63	497.63	3.42	501.05
Actuarial gain on post-employment benefit obligations, net of tax benefit	-	-	-	-	3.34	3.34	-	3.34
As at March 31, 2023	**11,874.14**	**304.35**	**355.03**	**0.92**	**2,138.73**	**14,673.17**	**(6.77)**	**14,666.40**
Employee stock option compensation expenses for the year	-	141.05	-	-	-	141.05	-	141.05
Transfer on account of exercise of share options	140.53	(140.53)	-	-	-	-	-	-
Proceeds from equity shares under ESOP's	71.85	-	-	-	-	71.85	-	71.85
Stock option lapsed	-	(1.25)	1.25	-	-	-	-	-
Profit for the year	-	-	-	-	654.73	654.73	1.04	655.77
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	(0.55)	(0.55)	-	(0.55)
As at March 31, 2024	**12,086.52**	**303.62**	**356.28**	**0.92**	**2,792.91**	**15,540.25**	**(5.73)**	**15,534.52**

As per our report of even date attached

For **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
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DIN: 00098097

C. Bhaskar Reddy
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Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 28, 2024

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(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 diagnostic services, pathological services and laboratory testing services, wholesale trading and manufacturing of pharmaceutical products, fast-moving consumer goods and beauty products. The Company was duly converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28 June 2021 and accordingly the corporate identification number (CIN) was changed from U85110TG2006PTC051845 to L85110TG2006PLC051845.

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 28, 2024.

2. Material accounting policies

2.1 a. Basis of preparation of consolidated financial statements

The Consolidated financial statements of the Group have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated Ind AS financial statements have been prepared on a historical cost basis:

(i) certain financial assets and financial liabilities that are measured 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 March 31, 2024 include the financial statements of the following entities:

S. No	Name of the subsidiary company	Country of incorporation	Percentage of Ownership as at March 31, 2024	Percentage of Ownership as at March 31, 2023
1	Optival Health Solutions Private Limited ('OHSPL')	India	99.99%	99.99%
2	Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited) ('WPPL')	India	100%	100%
3	MHS Pharmaceuticals Private Limited ('MHS')	India	100%	100%
4	Nova Sud Pharmaceuticals Private Limited (formerly known as PanIndia Pharma Distributors Private Limited) ('NPPL')	India	100%	100%
5	Sai Sridhar Pharma Private Limited ('SSPPL')	India	100%	100%
6	Venkata Krishna Enterprises Private Limited ('VKEPL')	India	100%	100%
7	Deccan Medisales Private Limited ('DMPL')	India	100%	100%
8	Shri Banashankari Pharma Private Limited ('SBPPL')	India	100%	100%
9	Sidson Pharma Distributors Private Limited ('SPDPL')	India	100%	100%
10	Kalyani Meditimes Private Limited ('KMT')	India	88.04%	88.04%
11	ClearanceKart Private Limited	India	100.00%	100.00%
12	Medplus Insurance Brokers Private Limited*	India	100.00%	100.00%

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

c. Non - controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

When the group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.2 Summary of Material 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.

c. Material 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.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is:

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

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 consolidated financial statements are:

Impairment of trade receivables

The Group has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

Inventories

The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

d. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.

e. Current and non current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f. 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,

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

g. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the group as part of the contract. 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.

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates. No element of financing is deemed present as the sales are made primarily on cash and carry basis.

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 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 and other business support service income

Revenue for display of advertisement and other business support income is accounted on accrual basis in accordance with the terms of the relevant contracts. Invoices are as issued according to contractual terms and are usually payable within 30 days.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Sales returns

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Group recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Group measures the revenue in respect of each performance obligation at its relative standalone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its standalone selling price.

The amount collected on sale of discount coupon is recognised as liability and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired.

Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

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.
- 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

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Land is carried at historical cost less any accumulated impairment losses.

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.

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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.

The cost of property, plant and equipment at April 01, 2016, the group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per previous GAAP (deemed cost), as at the date of transition to Ind AS.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful life as per schedule II
Buildings	30-60	30-60
Furniture and fixtures - Plastic Boxes	2	2
Furniture and fixtures - Others	10	10
Vehicles	8-10	8-10
Data Processing Equipment	3-6	3-6
Plant and equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The intangible assets as at April 01, 2016, the group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per previous GAAP (deemed cost), as at the date of transition to Ind AS.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Group represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed atleast 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

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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.

Intangible assets under development

Intangible assets under development are internally developed softwares for projects for use in day to day book keeping activities of the group in the future periods.

k. Leases

Group as lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease terms.

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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.

l. 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 weighted average 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 comparision of cost and NRV is made on item by item basis.

The factors that the Group considers in determining the valuation of inventory includes shelf life and ageing of Inventory. The Group considers these factors and adjust valuation to reflect actual value of inventory.

Raw materials and consumables held for use in the production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

Impairment losses, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

m. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that non-financial asset (other than inventories, contract assets and deferred tax assets) 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.

Impairment losses, including impairment on inventories, are recognised in the consolidated statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful

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life. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

n. 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.

o. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The Group operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other Short term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

p. Employee share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.The dilutive effect of outstanding options is reflected as additional share dilution in the

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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.

q. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables, contract assets and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables and contract assets, 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 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.

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Financial liabilities

Financial liability and Equity

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.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss.

However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right

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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.

r. 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.

s. 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.

t. Government Grants

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises the related costs for which the grants are intended to compensate. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

u. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

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 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.

w. 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.

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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 Group on account of new shares issued are netted off from securities premium account . The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

z. Opearting Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Chief Executive Officer (CEO) of the holding company to make decisions about resources to be allocated to the segments and assess their performance.

The group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations in each of the Group's reportable segments.

Reportable segments	Operations
1. Retail	Sale of pharmaceuticals and general items
2. Diagnostics	Pathology and radiology services
3. Others	Insurance broking business

The Group's CEO reviews the internal management reports of each segment atleast quarterly.

aa. 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.

ab. Material accounting policy information

The Company adopted Disclosure of Accounting policies (Amendments to Ind AS 1) from 1st April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

3 Recent pronouncements

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(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 April 01, 2022	143.30	1.64	772.89	408.38	647.12	55.69	734.35	2,763.37
Additions	7.77	-	705.77	194.94	365.94	14.44	431.55	1,720.41
Disposals	-	-	(16.33)	(16.25)	(0.98)	(3.24)	(8.56)	(45.36)
As at March 31, 2023	**151.07**	**1.64**	**1,462.33**	**587.07**	**1,012.08**	**66.89**	**1,157.34**	**4,438.42**
Additions	-	21.91	327.46	129.47	230.58	2.17	262.66	974.25
Disposals	-	-	(27.85)	(37.79)	(5.67)	(0.87)	(16.23)	(88.41)
As at March 31, 2024	**151.07**	**23.55**	**1,761.94**	**678.75**	**1,236.99**	**68.19**	**1,403.77**	**5,324.26**
Accumulated Depreciation								
Up to April 01, 2022	**-**	**0.42**	**301.00**	**266.79**	**138.06**	**21.91**	**416.40**	**1,144.69**
Charge for the year	-	0.03	137.51	93.34	88.67	6.26	124.79	450.60
Disposals	-	-	(14.53)	(16.25)	(0.78)	(2.67)	(5.99)	(40.22)
Up to March 31, 2023	**-**	**0.45**	**423.98**	**343.88**	**225.95**	**25.50**	**535.20**	**1,555.07**
Charge for the year	-	0.03	193.21	132.47	138.13	6.92	191.13	661.89
Disposals	-	-	(26.65)	(37.81)	(1.64)	(0.56)	(11.75)	(78.41)
Up to March 31, 2024	**-**	**0.48**	**590.54**	**438.54**	**362.44**	**31.86**	**714.58**	**2,138.55**
Net carrying amount								
As at March 31, 2023	**151.07**	**1.19**	**1,038.35**	**243.19**	**786.13**	**41.39**	**622.14**	**2,883.35**
As at March 31, 2024	**151.07**	**23.07**	**1,171.40**	**240.21**	**874.55**	**36.33**	**689.19**	**3,185.71**

Note 1) For details of contractual commitment with respect to property, plant and equipment refer note no. 41(A).

Title deeds of Immovable Properties not held in name of the 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	5.51	NATCO Pharma Limited	No	December 21, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale deed dated December 21, 2020. However, the Group is in the process of registration.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

5. Capital work-in-progress (CWIP)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying amount		
Opening Balances	239.09	204.47
Additions during the year	668.99	1,281.65
Capitalised during the year*	(843.30)	(1,247.03)
Disposed during the year	(10.09)	-
Closing Balance	**54.69**	**239.09**

CWIP Aging Schedule

As at March 31, 2024

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	53.20	1.25	0.08	0.16	54.69
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023

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	227.74	3.17	8.18	-	239.09
Projects temporarily suspended	-	-	-	-	-

*Includes ₹40.50 (March 31, 2023: ₹18.62) of employee cost and ₹11.83 (March 31, 2023: ₹4.79) of Depreciation and amortisation expense (refer note 32)

Note: The Group does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan and hence capital work-in-progress completion schedule is not applicable.

6. Goodwill & Other Intangible Assets

Particulars	Software	Goodwill on consolidation
Gross carrying amount		
As at April 1, 2022	113.93	414.51
Additions	22.17	-
Disposals	(11.19)	-
As at March 31, 2023	**124.91**	**414.51**
Additions	-	-
Disposals	-	-
As at March 31, 2024	**124.91**	**414.51**
Accumulated Amortisation		
Up to April 1, 2022	51.40	-
Charge for the year	17.11	-
Disposals	(3.36)	-
Up to March 31, 2023	**65.15**	**-**
Charge for the year	18.29	-
Disposals	(3.20)	-
Up to March 31, 2024	**80.24**	**-**
Net carrying amount		
As at March 31, 2023	**59.76**	**414.51**
As at March 31, 2024	**44.67**	**414.51**

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Impairment testing for cash generating unit (CGU) containing goodwill -

The Group has identified each entity as a separate CGU, breakup of entity wise goodwill is mentioned below -

Company's Name	As at March 31, 2024	As at March 31, 2023
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: 14.00%) (post-tax discount rate).

e. Annual growth rate considered for 5 years (average) is 25.00% (previous years: 25%)

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market premium x Beta for the company). The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts. Accordingly, no impairment charges were recognised during the year ended March 31, 2024 and March 31, 2023.

6.a Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Carrying amount		
Opening balance	15.62	-
Additions during the year	40.50	20.55
Capitalised during the year	-	(4.93)
Closing balance	**56.12**	**15.62**

Note:

The Group does not have any Intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets under development completion schedule is not applicable.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Intangible assets under development ageing schedule

As at March 31, 2024

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	40.50	15.62	-	-	56.12
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2023

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15.62	-	-	-	15.62
Projects temporarily suspended	-	-	-	-	-

7. Right-of-use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Right-of-use assets (refer note :40B)	8,773.39	8,021.99
	8,773.39	**8,021.99**

8. Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current, unsecured		
Loans receivables- credit impaired		
Loans to others (refer note below)	26.00	26.00
Less: Loss allowance	(26.00)	(26.00)
	-	-

Note - The loan is due for repayment from the party but not yet repaid. The Group has filed legal proceedings against the party and hence provision has been made by the Group.

There are no loans given to directors or other officers of the Group either severally or jointly with any other person or loans given to firms or private companies respectively in which any director is a partner, a director or a member.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

9. Other financial assets

Particulars		As at March 31, 2024	As at March 31, 2023
a. Non-current			
Unsecured, considered good			
Security deposits		775.69	698.15
Bank Deposits with remaining maturity for more than 12 months (refer note 1 below)		51.49	1.49
Trade deposits		0.03	0.03
	(A)	**827.21**	**699.67**
Unsecured, considered doubtful			
Security deposits		22.18	10.95
Advance to employees		0.80	0.80
		22.98	**11.75**
Less: Loss allowance		(22.98)	(11.75)
	(B)	-	-
Total non-current	**(A+B)**	**827.21**	**699.67**

Movement for loss allowance

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	(11.75)	(15.27)
Provision created for the year	(11.23)	-
Unused amounts reversed	-	3.52
At the end of the year	**(22.98)**	**(11.75)**

Particulars	As at March 31, 2024	As at March 31, 2023
b. Current		
Unsecured, considered good		
Receivables from vendors	39.36	31.12
Bank deposits with remaining maturity of less than 12 months	233.53	48.06
Advance to employees	8.22	4.13
Deposit with others (refer note 2 below)	30.73	30.02
Other receivables	4.55	0.22
Interest accrued on others	0.14	0.17
Share issue expenses receivable (refer note 3 below)	9.02	8.94
Total current	**325.55**	**122.66**

Notes:

1) Includes deposits pledged with Tax authorities aggregating to ₹0.49 (March 31, 2023: ₹0.49).

2) Includes deposits of ₹30.00 paid to Bombay Stock Exchange Limited ('BSE') for the purpose of IPO.

3) The Group has spent/ accrued ₹536.83 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and Group in proportion of their shares. The share issue expenses incurred by the Group on behalf of selling shareholders are considered to be recoverable from selling shareholders/ IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

4) There are no loans or advances given to promotors, directors, KMP's and the related parties defined under the Companies Act 2013 either severally or jointly with any other person.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

10. Other tax assets

Particulars	As at March 31, 2024	As at March 31, 2023
a. Non-current		
Advance Tax (Net of provision ₹232.24 (March 31, 2023: ₹335.83)	129.87	113.78
	129.87	**113.78**
b. Current	0.46	1.50
Advance tax	**0.46**	**1.50**

11. Other assets

Particulars		As at March 31, 2024	As at March 31, 2023
a. Non-current			
Unsecured, considered good			
Prepaid/ advance lease rentals		7.01	-
Capital advances		13.08	35.18
Balances with government authorities		14.42	13.76
Other advances		1.87	5.14
	(A)	**36.38**	**54.08**
Unsecured, considered doubtful			
Other advances		3.51	3.51
Balances with government authorities		1.22	1.22
		4.73	**4.73**
Less: Loss allowance		(4.73)	(4.73)
	(B)	-	-
Total non-current	**(A+B)**	**36.38**	**54.08**

Movement for loss allowance

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	(4.73)	(1.22)
Provision created for the year	-	(3.51)
Unused amounts reversed	-	-
At the end of the year	**(4.73)**	**(4.73)**

Particulars	As at March 31, 2024	As at March 31, 2023
b. Current		
Unsecured, considered good		
Advance to vendors	211.61	214.34
Balances with government authorities	45.20	42.89
Grant receivable	-	7.60
Prepaid expenses	98.50	52.16
	355.31	**316.99**
Doubtful		
Unsecured, considered Doubtful		
Balances with government authorities	1.01	1.01
	1.01	**1.01**
Provision for doubtful receivables	(1.01)	(1.01)
	-	-
Total current	**355.31**	**316.99**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

12. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
(Valued at lower of cost and net realisable value)		
Raw materials	120.96	57.09
Work-in-progress	10.00	7.44
Finished goods	15.54	22.60
Stock-in-trade including goods in transit of ₹0.00 (March 31, 2023: ₹288.66)	13,087.19	11,175.14
Stores and spares	168.65	178.60
	13,402.34	**11,440.87**

During the year ended March 31, 2024, the Group recorded inventory write-down to net realisable value of ₹293.51 (March 31, 2023: ₹202.09) in the consolidated statement of profit and loss. As on March 31, 2024 the Inventories includes contract asset of ₹23.38 (March 31, 2023: ₹22.26) 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(a))

13. Current investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in gold and silver	-	0.33
	-	**0.33**

14. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
a. Non-Current, unsecured		
Trade receivables - credit impaired	0.87	0.82
	0.87	**0.82**
Less: Impairment Allowance	(0.87)	(0.82)
Total	**-**	**-**
b. Current, unsecured		
Receivable from other than related parties		
Trade receivables considered good	175.04	86.51
Trade receivables - credit impaired	5.62	5.63
	180.66	**92.14**
Less: Loss allowance for expected credit loss	(5.62)	(5.63)
Total	**175.04**	**86.51**

There are no trade or other receivables due from directors or other officers of the group either severally or jointly with any other person or dues from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Ageing of trade receivables as at March 31, 2024 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	19.90	99.65	2.22	0.64	0.10	-	122.51
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	4.70	1.39	0.15	0.12	0.13	6.49
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**19.90**	**104.35**	**3.61**	**0.79**	**0.22**	**0.13**	**129.00**
Less: Allowance for doubtful trade receivables - Billed							**(6.49)**
							122.51
Trade receivables - Unbilled							**52.53**
							175.04

Ageing of trade receivables as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	46.15	19.43	1.26	-	-	-	66.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.22	3.07	0.28	0.04	0.84	6.45
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	**46.15**	**21.65**	**4.33**	**0.28**	**0.04**	**0.84**	**73.29**
Less: Allowance for doubtful trade receivables - Billed							**(6.45)**
							66.84
Trade receivables - Unbilled							**19.67**
							86.51

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

15. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- On current accounts	239.07	243.70
- Bank deposits with original maturity of less than three months	426.23	1,856.36
Balances in wallets	127.20	93.62
Cash on hand	119.59	90.07
	912.09	**2,283.75**

16. Bank balances other than above

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits with original maturity more than 3 months and less than 12 months	504.73	554.60
	504.73	**554.60**

17. Share capital

Particulars	As at March 31, 2024	As at March 31, 2023
Equity shares		
Authorised share capital		
Equity shares of ₹2/- each (March 31, 2023: ₹2/- each)		
270,883,000 (March 31, 2023: 270,883,000) equity shares	541.77	541.77
Total Authorised share capital	**541.77**	**541.77**
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
119,536,952 (March 31, 2023: 119,305,676) equity shares of ₹2/- each	239.07	238.61
Less: amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 119,464 (March 31, 2023: 229,241) equity shares of ₹2/- each, allotted to Medplus Employees Benefit Trust (refer note 39)	(0.00)	(0.00)
Total Issued, subscribed and fully paid up equity share capital	**239.07**	**238.61**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

i) Equity shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount ₹	No. of shares	Amount ₹
At the beginning of the year	11,93,05,676	238.61	11,93,05,676	238.61
Add: Increase in shared on account of ESOP exercise	2,31,276	0.46	-	-
Outstanding at the end of the year	**11,95,36,952**	**239.07**	**11,93,05,676**	**238.61**
Less : Recoverable from ESOP trust (refer to note 39)	(1,19,464)	(0.00)	(2,29,241)	(0.00)
Net outstanding at the end of the year	**11,94,17,488**	**239.07**	**11,90,76,435**	**238.61**

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(b) Terms/ rights attached to equity shares

(i) Equity shares

The Group has only one class of equity shares having par value of ₹2 per share (March 31, 2023- ₹2 per share). Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Group

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of ₹2 each fully paid up				
Madhukar Reddy Gangadi	1,53,50,400	12.84%	1,53,50,400	12.87%
PI Opportunities Fund I	98,34,759	8.23%	1,68,34,759	14.11%
Lavender Rose Investment Ltd	1,35,63,607	11.35%	1,77,59,127	14.89%
Lone furrow investment private limited	1,72,80,732	14.46%	1,72,33,240	14.44%
Agilemed Investments Private Limited	1,56,49,495	13.09%	1,56,49,495	13.12%
SBI Mutual Fund	62,10,508	5.20%	79,00,000	6.62%
Nippon life india trustee limited	83,29,987	6.97%	NA	NA

(d) During the five years immediately preceding the year, ended March 31, 2024, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (e) below.

(e) Details of Bonus issue	**Number of shares**
During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i) 1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii) 1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii) 40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv) 40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v) 40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi) 40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
	2,13,96,708

Note: The above mentioned CCPS were converted into equity shares during the year ended March 31, 2022

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(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) & Employee Stock Options and Shares Plan, 2021 (ESOP 2021) of the Company. (refer note 39)

(g) Details of Promoter shareholding

Promoter Name	As at March 31, 2024			As at March 31, 2023	
	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	12.84%	-0.03%	1,53,50,400	12.87%
Agilemed Investments Private Limited	1,56,49,495	13.09%	-0.03%	1,56,49,495	13.12%
Lone Furrow Investment Private Limited	1,72,80,732	14.46%	0.02%	1,72,33,240	14.44%

18. Other equity

	As at March 31, 2024	As at March 31, 2023
(i) Securities premium		
Opening balance	11,933.83	11,835.54
Add: Transferred from Share based payment reserve upon exercise of options	140.53	30.78
Add: Share based payment reserve adjusted against securities premium	-	67.51
Add: Proceeds from equity shares issued under ESOP's	53.19	-
Total	**12,127.55**	**11,933.83**
Less: Amount recoverable from ESOP trust (refer note 39)	(77.44)	(77.44)
Add: Amount recovered from ESOP Trust	36.41	17.75
	(41.03)	**(59.69)**
Closing balance	**12,086.52**	**11,874.14**
(ii) Share based payments reserve		
Opening balance	304.35	113.94
Add: Gross compensation for options granted during the year	141.05	221.19
Less: Transfer to Security premium account upon exercise of option	(140.53)	(30.78)
Less: Stock option lapsed	(1.25)	-
Closing balance	**303.62**	**304.35**
(iii) General reserve		
Balance at the beginning and at the end of the year	355.03	355.03
Add: Stock option lapsed	1.25	-
Add: Transfer towards options exercised during the year	-	-
Add: Fair value movement in the value of the CCPS transfer to general reserve	-	-
	356.28	**355.03**
(iv) Capital reserve		
Balance at the beginning and at the end of the year	0.92	0.92
	0.92	**0.92**
(v) Retained earnings		
Opening balance	2,138.73	1,637.76
Profit for the year	654.73	497.63
Other comprehensive (loss)/ income for the year	(0.55)	3.34
	2,792.91	**2,138.73**
Total Other equity ((i)+(ii)+(iii)+(iv)+(v))	**15,540.25**	**14,673.17**

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Group has granted equity settled share based payment plans for certain categories of employees of the Group (Refer note 39).

c) General reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Capital reserve

The Group has acquired subsidiary through business combination resulting in bargain purchases.

e) Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

19. Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Cash credit from banks (secured)*	-	-
	-	-

Notes

(a) (i) Pari Passu charge on the entire present and future inventories of Optival Health Solutions Private Limited.

(ii) Pari Passu charge on the entire present and future immovable fixed assets except the following building:

"Unfinished Shop no: G1 in the ground floor of Karna Nilyam 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) Personal guarantees of G.Madhukar Reddy (Director of the Company) untill May 2022, No immovable property of personal guarantor shall be encumbered/disposed off without prior consent of the Bank.

The cash credit facility availed during the year carries floating rate of interest in the range of MCLR + 0.45% to 0.55% per annum, (March 31, 2023 MCLR + 0.45% to 0.55% per annum) MCLR ranges from 7.22% to 7.30% per annum.

(c) The Group has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2024. There are no material discrepancies between books of accounts and quarterly statements submitted to banks, where borrowings have been availed based on security of current assets.

* The cash credit loan availed from the bank has been utilised for working capital requrements of the Optival Health Solutions Private Limited, no amount has been utilised for long term purpose. There is no default in the repayment during the year.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

20. Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Security deposits	9.35	7.08
	9.35	**7.08**
(b) Current		
Payable for capital goods	57.52	96.33
Dues to employees	647.90	571.17
	705.42	**667.50**

21. Lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Lease liabilities (refer note no: 40D)	8,680.83	8,011.80
	8,680.83	**8,011.80**
(b) Current		
Lease liabilities (refer note no: 40D)	1,414.86	987.44
	1,414.86	**987.44**

22. Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Non-current		
Provision for gratuity, partly funded (refer note 38)	324.89	277.46
	324.89	**277.46**
(b) Current		
Provision for gratuity, partly funded (refer note: 38)	63.67	56.35
Provision for compensated absences, unfunded	215.92	178.51
Provision for refund liability (refer note no 2.2g.)	27.14	25.78
	306.73	**260.64**

Refund liability is accounted based on Group's estimation of expected sales returns. Refer note no: 2.2g of these consolidated financial statements for Group's accounting policies on refund liabilities.

Movement in refund liability

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	25.78	23.97
Add: Provision created during the year	759.55	658.59
Less: Utilised during the year	(758.19)	(656.78)
Balance as at end of the year	27.14	25.78

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

23. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
- total outstanding dues to micro enterprises and small enterprises (refer Note 42)	77.87	126.35
- total outstanding dues to other than micro enterprises and small enterprises	2,452.48	2,475.09
	2,530.35	**2,601.44**

There are no disputed trade payables

Trade payables are non-interest bearing and are normally settled on 01-60 day terms.

For explanations on the Group's credit risk management processes, (refer to note.46)

Ageing of trade payables outstanding as at March 31, 2024 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	94.15	-	-	-	-	94.15
(ii) Others	161.26	2,144.01	12.47	6.30	5.50	2,329.54
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**255.41**	**2,144.01**	**12.47**	**6.30**	**5.50**	**2,423.69**
Accrued expenses						**106.66**
						2,530.35

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	99.46	26.89	-	-	-	126.35
(ii) Others	1,224.59	1,132.33	41.16	1.28	0.77	2,400.13
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	**1,324.05**	**1,159.22**	**41.16**	**1.28**	**0.77**	**2,526.48**
Accrued expenses						**74.96**
						2,601.44

24. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	137.75	142.98
Other payables	2.38	2.13
	140.13	**145.11**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

25. Contract liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	25.75	22.54
Deferred revenue (refer note 27)	131.97	70.87
	157.72	**93.41**

26. Current tax liabilities (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (Net)	4.14	10.29
	4.14	**10.29**

27. Revenue from Contract with customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a. Revenue from operations		
Sale of goods	54,977.39	44,979.72
Sale of services	758.03	307.08
	55,735.42	**45,286.80**
b. Other operating revenue		
- Display and other business support income	485.19	262.92
- Others	27.94	26.04
	513.13	**288.96**
Total	**56,248.55**	**45,575.76**

Disclosures as per Ind AS 115

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customers at contracted price	56,501.08	45,951.03
Less: Discounts offered	(7.47)	(7.45)
Less: Sales returns	(758.19)	(656.78)
Revenue from contract with customers	**55,735.42**	**45,286.80**

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on business segment:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Retail trading of pharmaceuticals and general items	54,977.39	44,979.74
Diagnostic Services	748.85	305.54
Others	9.18	1.52
Revenue from contract with customers	**55,735.42**	**45,286.80**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

c. Revenues from significant customers

There are no transactions with single external customer which amounts to 10% or more of the Group's revenue.

d. Contract balances:

Particuars	As at March 31, 2024	As at March 31, 2023
Trade receivables (refer note: 14)	175.04	86.51
Advance from customers(refer note 1 below)	25.75	22.54
Contract assets (refer note 2 below)	27.14	25.78
Deffered revenue (refer note 3 below)	131.97	70.87

Note 1:

Revenue recognised in the current reporting year that was included in the opening balance of advance from customers is ₹20.05 (March 31, 2023: ₹20.16).

The balances of advances from customers and deferred revenue is expected to be utilised with in the next 12 months.

Note 2: Details of Contract Asset

As mentioned in the accounting policies for refund liability, the Group recognises an asset i.e., right to the returned goods (included in inventories) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

As on March 31, 2024, the Group has ₹27.14 (March 31, 2023: ₹25.78) as contract asset representing the right to the returned goods (included in inventories).

Note 3: Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the years ended March 31, 2024 and March 31, 2023

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	70.87	60.61
Deferred during the year	281.23	120.54
Released to the statement of profit and loss	(220.13)	(110.28)
Balance at the end of the year	**131.97**	**70.87**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

28. Other income

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- On bank deposits	135.77	176.72
- financial assets measured at amortised cost	73.61	101.16
Insurance claims received	0.45	0.09
Rental income (refer note:43(b))	9.66	10.08
Amount recovered from employees	99.81	78.61
Foreign exchange fluctuation gain (net)	0.36	0.90
Gain on de-recognition of Right-of-use assets	45.22	42.00
Government grant (refer note:54)	9.98	27.57
Miscellaneous income	25.22	23.65
	400.08	**460.78**

29. Cost of materials consumed

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material and packing material		
Inventories at the beginning of the year	57.09	33.18
Add: Purchases	509.17	282.71
Less: Inventories at the end of the year	120.96	57.09
Cost of material consumed	**445.30**	**258.80**

30. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Finished goods	22.60	20.26
Stock-in-trade	11,175.14	8,971.07
Work-in-progress	7.44	2.61
	11,205.18	**8,993.94**
Less : Inventories at the end of the year		
Finished goods	15.54	22.60
Stock-in-trade	13,087.19	11,175.14
Work-in-progress	10.00	7.44
	13,112.73	**11,205.18**
Change in inventories	**(1,907.55)**	**(2,211.24)**

31. Employee benefits expense

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	5,513.58	4,745.42
Contribution to provident and other funds (refer note: 38)	378.09	307.76
Gratuity expense (refer note: 38)	113.70	95.90
Employees stock option compensation expenses (refer note: 39)	141.04	221.19
Staff welfare expenses	108.78	81.02
	6,255.19	**5,451.29**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

32. Depreciation and amortisation expense

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment	661.89	450.60
Amortisation of intangible assets	18.29	17.11
Amortization of right-of-use assets (refer note:40)	1,573.79	1,352.64
Less: Amount transferred to capital work-in-progress	(11.83)	(4.79)
	2,242.14	**1,815.56**

33. Finance costs

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities measured at amortised cost	0.65	9.16
Interest on lease liabilities (refer note:40)	963.68	821.11
	964.33	**830.27**

34. Other expenses

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent	0.97	1.28
Rates and taxes	36.29	28.34
Electricity charges	455.00	317.15
Communication costs	160.13	118.90
Travelling and conveyance	103.69	88.11
Printing and stationary	123.57	110.73
Legal and Professional charges - Doctors Fees	144.73	56.90
Legal and professional charges - Others	56.23	61.49
Payment to auditors (refer note: 35)	9.83	9.92
Insurance	25.15	19.22
Repairs and maintenance		
- Plant and equipment	91.09	61.90
- Others	97.78	119.05
Packing and forwarding charges	640.60	475.76
Commission and brokerage	90.08	89.20
Advertisement and sales promotion	252.10	112.60
Director Sitting fees	7.25	6.65
Credit/debit card commission charges	172.13	156.97
Allowance for expected credit loss, net	0.87	4.68
Allowance on deposits	13.40	3.33
Allowance on advances	-	3.75
Loss on sale of property, plant and equipment, net	4.53	3.54
Advances/debts written off	2.16	1.08
Corporate social responsibility expenditure (refer note: 48)	16.50	16.02
Miscellaneous expenses	32.18	24.33
	2,536.26	**1,890.91**

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

35. Payment to statutory auditors

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Audit fee (including fee for limited review)	8.50	8.90
Certification	0.05	0.48
Reimbursement of expenses	1.28	0.54
	9.83	**9.92**

36. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

Particuars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit attributable to equity holders of the Parent company for basic and diluted earnings per equity share	654.73	497.63
Earnings per equity share		
Weighted average number of shares for considered for Basic EPES		
(i) Equity shares		
Number of shares at the beginning of the year	11,93,05,676	11,93,05,676
Add: Exercise of employee stock options during the period	81,220	-
Weighted average number of shares outstanding during the year	**11,93,86,896**	**11,93,05,676**
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year	6,37,792	3,45,267
Weighted average number of equity shares for diluted EPES	**12,00,24,688**	**11,96,50,943**
Face value of each equity share (In absolute ₹ terms)	2	2
Earnings per equity share (EPES) (In absolute ₹ terms)		
- Basic	5.48	4.17
- Diluted	5.45	4.17

37. Taxes

(a) The major components of income tax expenses for the year ended March 31, 2024 and for the year ended March 31, 2023 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax :		
Current income tax charge	270.34	180.48
Taxes relating to earlier years	0.69	0.05
Deferred tax (benefit)/ expense		
Relating to origination and reversal of temporary differences	(192.37)	(209.95)
Total income tax expense recognised in statement of Profit and Loss	**78.66**	**(29.42)**

(ii) OCI Section

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax expense		
On remeasurement of defined benefit plans	(0.57)	(1.27)
Income tax charged to Other Comprehensive Income	**(0.57)**	**(1.27)**

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax (A)	734.43	471.63
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	184.84	118.70
Tax effect on non-deductible expenses (net) (D)	4.18	5.33
Deferred tax benefit accounted on carry forward tax losses and unabsorbed depreciation (E)	(33.27)	0.54
Tax benefits availed u/s 80JJAA of Income Tax Act (F)	(21.71)	(79.27)
Deferred Tax benefits availed u/s 80JJAA of Income Tax Act (F)	(43.43)	(97.39)
Deferred tax on consolidation adjustment (G)	(25.19)	7.74
Others (H)	13.25	14.93
Total Tax expense (C+D+E+F+G+H)	**78.66**	**(29.42)**
Adjustments in respect of current income tax of previous year	-	-
Total	**78.66**	**(29.42)**
Tax expense as per Statement of Profit and Loss Account ((a)(i) above)	**78.66**	**(29.42)**

(c) The major components of deferred tax (liabilities)/assets (net) arising on account of timing differences are as follows:

As at March 31, 2024	March 31, 2023	Retained earnings	Profit and Loss 2023-24	OCI 2023-24	March 31, 2024
Deferred tax asset (net)					
Property, plant and equipment	83.07	-	9.52	-	92.59
Provision for expenses allowed for tax purpose on payment basis	131.02	-	41.96	(0.57)	172.41
Deduction under section 80JJAA	97.39		(19.66)	-	77.73
Lease liabilities, net	296.70		101.75	-	398.45
Expense claimed for tax purpose on payment basis	6.67	-	13.81	-	20.48
Carry forward of business losses	-		19.80		19.80
Deferred tax on consolidation adjustment	43.27	-	25.19	-	68.48
Deferred tax benefit/ (expense)		**-**	**192.37**	**(0.57)**	
Deferred tax asset (net)	**658.12**				**849.94**

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

As at March 31, 2023	March 31, 2022	Retained earnings	Profit and Loss 2022-23	OCI 2022-23	March 31, 2023
Deferred tax asset (net)					
Property, plant and equipment	71.20	-	11.87	-	83.07
Provision for expenses allowed for tax purpose on payment basis	101.49	-	30.80	(1.27)	131.02
Deduction under section 80JJAA	-		97.39		97.39
Lease liabilities, net	235.08	-	61.62	-	296.70
Expense claimed for tax purpose on payment basis	6.15	-	0.52	-	6.67
Deferred tax on consolidation adjustment	35.53	-	7.74	-	43.27
Deferred tax expense		**-**	**209.94**	**(1.27)**	
Deferred tax asset (net)	**449.45**				**658.12**

(d) As a matter of prudence, the Parent company as on March 31, 2023 had recorded deferred tax asset (net) of ₹ Nil by restricting aggregate deferred tax asset to ₹212.21 representing amount equivalent to deferred tax liability of ₹212.21, since the Parent company was not probable that taxable profit will be available against which the unrecognised deferred tax asset on carryforward business loss and unabsrobed depreciation can be utilized. However, during the year ended and as on March 31, 2024, the Parent company has recognized deferred tax asset considering reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Note 1:

The Optival Health Solutions Private Limited has received a demand notice of ₹434.51 from the Income tax authorities on account of addition of certain items in the total income for financial year 2019-20. The matter is currently pending for disposal by the High Court. However, on the basis of receipt of an advise from an independent external consultant, Group is confident that the probability of the said assessment being settled against the Company is remote and accordingly, these financial statements do not warrant any adjustments in this regard.

Note 2:

MedPlus Health Services Limited has received a demand notice of ₹34.86 on account of certain disallowances and additions to the total income. The Parent company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts by an independent external consultant, the Parent company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

The components of gratuity cost recognised in the consolidated statement of profit and loss and other comprehensive income for the years ended March 31, 2024 and March 31, 2023 consist of the following:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	423.99	343.82
Current service cost	91.00	77.42
Interest on defined benefit obligations	30.47	24.66
Benefits paid	(32.68)	(16.90)
Re-measurements due to:		
Remeasurements- due to change in assumptions	8.46	(3.36)
Remeasurements- due to experience adjustment	(11.16)	(1.65)
Defined benefit obligations at the end of the year	**510.08**	**423.99**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	90.18	89.19
Employer contributions	39.07	0.69
Employer Direct benefits payments	0.10	0.05
Interest on plan assets	7.78	6.31
Benefits paid	(12.76)	(5.73)
Expenses	(0.05)	(0.04)
Remeasurements-return on plan assets	(2.80)	(0.29)
Plan assets at the end of the year	**121.52**	**90.18**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	91.00	77.42
Interest on net defined benefit liability, net	30.47	24.66
Excepted return on plan assets	(7.77)	(6.35)
Gratuity cost recognised in statement of profit and loss	**113.70**	**95.73**
Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	8.46	(3.36)
Remeasurements - due to experience adjustment	(11.16)	(1.65)
Remeasurements - return on plan assets	2.68	0.40
Defined benefit costs recognised in other comprehensive income	**(0.02)**	**(4.61)**
Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	510.08	423.99
Fair value of plan assets	(121.52)	(90.18)
Net defined benefit liability recognised	**388.56**	**333.81**

Bifurcation of net defined benefit liability

Particulars	As at March 31, 2024	As at March 31, 2023
Current liabilities	63.67	56.35
Non-current liabilities	324.89	277.46
	388.56	**333.81**

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Plan assets

Plan assets comprise of the following:

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by Life Insurance Corporation of India	121.52	90.18
	121.52	**90.18**

The Group makes contribution to the Life Insurance Corporation ('LIC') of an amount advised by LIC. The Group was not informed by LIC of the investments made by them or the breakup of the plan assets in to various type of investments.

Sensitivity Analysis: Increase/ (decrease) in obligation

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(29.98)	(23.63)
- 1% decrease	34.10	26.60
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	33.07	26.43
- 1% decrease	(30.23)	(24.23)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(5.38)	(4.02)
- 1% decrease	5.87	4.35
(d) Effect of 10% change in assumed mortality rate		
- 10% increase	0.01	(0.05)
- 10% decrease	(0.00)	0.05

Sensitivity Analysis: Increase/ (decrease) in obligation

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.23% to 7.25%	7.50% to 7.52%
Rate of return of plan assets	7.23% to 7.25%	7.27% to 7.52%
Attrition rate		
below 30 Years	27.18%	27.18%
31-40 years	18.47%	18.47%
41-50 Years	13.40%	13.40%
51 years and above	12.26%	12.26%
Rate of compensation increase	9% to 15%	9% to 15%

The expected future cash flows in respect of gratuity were as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expected future benefit payments		
Less than a year	63.54	56.80
Between 2-5 years	238.70	207.91
More than 5 years	598.36	184.56

The weighted average duration of the defined benefit obligation is 7.00 to 10.00 years (March 31, 2023 : 6.84 to 8.49 years)

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Attrition rate: Represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

Sensitivity analysis: The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

B. Defined Contribution Plan

Provident fund benefits

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Group has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense for the year aggregated to ₹378.09 (March 31, 2023: ₹307.76) 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 ₹80.01 (March 31,2023: ₹66.66).

39. Employee stock option plan

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Group instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares. During the year ended March 31, 2024, the following scheme is under operation:

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 equity shares 870,570 CCPS options, including bonus issue) of ₹10 each to the Trust.

The Group has allotted (before giving impact of bonus & split) 4,110 equity shares against 4,110 granted options and 5,563 options (against 5,563 non- granted option) to the trust at premium of ₹11,016.12 per option and ₹5,781 per option respectively, aggregating total securities premium of ₹77.44 millions

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Amount receivable from the trust for options granted aggregating to ₹77.54 (Face value – ₹0.10 and Premium of ₹77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year March 31, 2024 238 (March 31, 2023 416) options were exercised by employees which resulted in

(i) increase in paid up capital by March 31, 2024 ₹0.04 (March 31, 2023: ₹0.00) and

(ii) increase of securities premium by March 31, 2024 ₹ Nil (March 31, 2023: ₹ Nil)

Further, recovery of March 31, 2024 18.64 (March 31, 2023: ₹11.89) from ESOP trust was done on account of exercised options.

Employees stock option and share plan 2009

Particulars	March 31, 2024	March 31, 2023
Number of options granted	Nil	Nil
Method of settlement (Cash/Equity)	NA	NA
Vesting period	NA	NA
Exercise period	NA	NA
Vesting conditions	NA	NA

(b) The details of the activity have been summarized below

Particulars	As at March 31, 2024 (No. of equity shares)	As at March 31, 2023 (No. of equity shares)
Outstanding at the beginning of the year	389	905
Exercisable at the beginning of the year	100	300
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	238	416
Vested during the year	149	216
Expired during the year	-	100
Outstanding at the end of the year*	151	389
Exercisable at the end of the year	11	100
Weighted average remaining contractual life (in years)	-	-

* One option equals to 461.25 equity shares

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a) The Group instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2024 the Group has granted 16,967 (March 31, 2023: 95,941) Options to its employees and Nil (March 31, 2023: 36,900) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of ₹628.00 per option on December 21, 2023 (March 31, 2023: 541.98 per option on March 30, 2023).

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Employees stock option and share plan 2021

Particulars	March 31, 2024	March 31, 2023
Number of options granted	16,967	1,32,841
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	1,697 options vest in 12 months from the grant date. 4,242 options vest in 24 months from the grant date. 4,242 options vest in 30 months from the grant date. 6,786 options vest in 36 months from the grant date.	9,594 options vest in 12 months from the grant date. 23,985 options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377 options vest in 36 months from the grant date.
Exercise period	3 years	3 years
Vesting conditions	None	None

(b) The details of the activity have been summarized below

Particulars	March 31, 2024 (No. of options)	March 31, 2023 (No. of options)
Outstanding at the beginning of the year	10,37,758	9,35,904
Exercisable at the beginning of the year	1,04,328	-
Granted during the year	16,967	1,32,841
Forfeited during the year	46,320	30,987
Exercised during the year	2,31,276	-
Vested during the year	2,35,253	1,04,328
Expired during the year	2,054	-
Outstanding at the end of the year	7,75,075	10,37,758
Exercisable at the end of the year	1,06,251	1,04,328
Weighted average remaining contractual life (in years)	-	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2024	March 31, 2023
Weighted average share price/ market value	773.50	634.55
Exercise price (₹ per share)	628.00	541.98
Options granted	16,967	1,32,841
Date of grant	December 21, 2023	March 30, 2023
Expected volatility	27.00%	20.00%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period + 4 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	6.75% - 7.25%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	268.00	204.00

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

Particulars	March 31, 2024	March 31, 2023
Total employee compensation cost pertaining to stock option plan	141.04	221.19
Reserves - employee stock option plan outstanding as at the year end	303.62	304.35

40. Lease

A The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the 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.

B Movement of right of use asset for the year ended March 31, 2024 and March 31, 2023:

Particulars	Machinery	Buildings	Total
Gross carrying amount as at April 01, 2022	-	7,831.60	7,831.60
Additions	62.55	3,638.44	3,700.99
Deletions	-	354.25	354.25
Gross carrying amount as at March 31, 2023	**62.55**	**11,115.79**	**11,178.34**
Additions	-	2,605.62	2,605.62
Deletions	-	1,028.23	1,028.23
Gross carrying amount as at March 31, 2024	**62.55**	**12,693.18**	**12,755.73**
Accumulated Depreciation			
Up to April 01, 2022	-	1,940.03	1,940.03
Depreciation charge for the year	2.96	1,349.68	1,352.64
Deletions	-	(136.32)	(136.32)
Up to March 31, 2023	**2.96**	**3,153.39**	**3,156.35**
Depreciation charge for the year	2.96	1,570.83	1,573.79
Deletions	-	(747.80)	(747.80)
Up to March 31, 2024	**5.92**	**3,976.42**	**3,982.34**
Carrying amounts			
Net block as at March 31, 2023	**59.59**	**7,962.40**	**8,021.99**
Net block as at March 31, 2024	**56.63**	**8,716.76**	**8,773.39**

* The aggregate Depreciation expenses for the year on Right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

C The Following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31, 2024 and March 31, 2023

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short -term lease expense	0.97	1.28
Rental income from sub-lease	9.66	10.08
Total		

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

D Movement of lease liabilities for the year ended March 31, 2024 and March 31, 2024:

Particulars	Machinery	Buildings	Amount
Balance as at April 01, 2022	-	6,722.53	6,722.53
Additions	56.08	3,363.83	3,419.91
Finance cost accrued during the year	2.12	818.99	821.11
Deletions	-	259.08	259.08
Payment of lease liabilities	4.10	1,701.12	1,705.22
Balance as at March 31, 2023	**54.10**	**8,945.15**	**8,999.25**
Additions	-	2,497.92	2,497.92
Finance cost accrued during the year	4.82	958.86	963.68
Deletions	-	312.46	312.46
Payment of lease liabilities	9.34	2,043.36	2,052.70
Balance as at March 31, 2024	**49.58**	**10,046.11**	**10,095.69**

Bifurcation of lease liabilities	As at March 31, 2024	As at March 31, 2023
Non-current lease liabilities	8,680.83	8,011.80
Current lease liabilities	1,414.86	987.44

E The following is the cash outflow on leases during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payment of lease liabilities	2,052.70	1,705.22
Short-term lease expense	0.97	1.28
Total cash outflow on leases	**2,053.67**	**1,706.50**

F The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at March 31, 2024	As at March 31, 2023
Less than 1 year	2,119.17	1,768.55
1 to 5 years	7,290.85	7,300.96
Over 5 years	5,154.06	2,972.01

G The following is the amount recognised in profit or loss during the year ended March 31, 2024 and March 31, 2023:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on lease liabilities	963.68	821.11
Short-term lease expense	0.97	1.28
Rental income from sub-lease	(9.66)	(10.08)

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

41. Capital commitments and contingent liabilities

(A) Capital Commitments

(i) As at March 31, 2024 the Group has commitments of ₹28.83 (March 31, 2023: ₹63.52) relating to contracts remaining to be executed on capital account after considering the capital advances paid.

(B) Contingent Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
i) Claims against the Group not acknowledged as debt		
Income tax	111.78	111.78
Value added tax	7.08	7.08
Others	18.90	
	137.76	**118.86**

(ii) During the year ended March 31, 2015, Ritemed Pharma Retail Private Limited (merged entity) had received an assessment order for the assessment year 2012 -13 proposing an adjustment of ₹18.37 to the returned loss. Ritemed Pharma Retail Private Limited (merged entity) had filed an appeal before Commissioner of Income Tax (Appeals), thereby revising the adjustment to ₹8.2 with revised tax demand of ₹2.66. Group filled an appeal in Income-tax Appellate Tribunal, based on its internal assessment is confident that the matter will be decided in its favour and no adjustment to the financial statement is required.

iii) The Payment of Bonus (Amendment) Act, 2015 had been notified in the financial year 2015-16. Among other amendments, it has increased, with retrospective effect from April 1, 2014, the scope of coverage by revising the salary ceiling for eligible employees and also increasing the salary limit capped for the purpose of calculating bonus. Based on the legal advice and the interim stay granted by various high courts on retrospective application of the aforesaid amendment, the Group has not accrued for bonus for the financial year 2014-15 amounting to ₹8.61 and merged entity Ritemed Pharma Retail Private Limited amounting to ₹4.5.

iv) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

v) Ritemed Pharma Retail Private Limited (merged with Optival Health Solutions Private Limited w.e.f. April 01, 2016), subsidiary company, had entered into the following transactions during the year ended March 31, 2011:

i) Purchase of goods aggregating to ₹312.25 for the period May 7, 2010 to March 3, 2011 from the Optival Health Solutions Private Limited; and

ii) Purchase of goods and services aggregating to ₹21.80 and sale of goods and services aggregating to ₹15.15 for the period April 1, 2010 to March 31, 2011 from one of the covered entities - Optival Health Solutions Private Limited.

The above transactions required prior approval of the Central Government under the provisions of Section 297 of the erstwhile Companies Act, 1956. The above transactions are part of normal business transactions at prevailing market prices. Ritemed Pharma Retail Private Limited, has applied to the appropriate regulatory authorities for regularization on June 10, 2011. Management is confident that the penalties, if any, that may arise on account of such non-compliance will not be significant.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

vi) During the previous year, the Deccan MediSales Private Limited has received Assessment order u/s.143(3) of Income tax Act, 1961 dated November 29, 2019 for the assessment year 2017-18 with an addition of ₹420.37 to the returned Income and a tax demand of ₹192.54 on such addition. The addition made to returned Income is the difference between turnover reported in VAT returns and Sales as per financial statements. As per the VAT laws of Karnataka, Turnover to be reported in the VAT returns is at maximum retail price (MRP) and whereas financials turnover will be at actual sale value. The above difference is due to reporting of Turnover in VAT Returns as per Local Laws and does not require addition to Income. Accordingly, the Group filed an appeal with CIT(Appeals) - Bengaluru on December 13, 2019, based on its internal assessment it is confident that the matter will be decided in its favor and no adjustment to the consolidated financial statement is required.

(vii) The Group is subject to legal proceedings and claims before various tax authorities, customers, vendors and other regulators which have arisen in the ordinary course of business and which are pending at various levels of judicial and appellate authorities. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Group, as the case may be and therefore timing of cash flows cannot be predicted. The Group engages reputed professional advisors wherever required to protect its interests and has been advised that it has strong legal positions against such disputes. The Group believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.

42. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondance with its customers the Entreprenuers Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2024 and March 31, 2023 has been made in the consolidated financial statements based on information received and available with the Group. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

Particulars	As at March 31, 2024	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	77.87	126.35
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note : This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

43. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
5. Kalyani Meditimes Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director
2. C. Bhaskar Reddy – Whole time Director (w.e.f October 26, 2023)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Shilpi Keswani- Company Secretary (upto March 30, 2023)
6. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

(iii) Directors

1. Murali Sivaraman - Independent Director
2. Madhavan Ganesan - Independent Director
3. Hiroo Mirchandani - Independent Director
4. Atul Gupta - Non Executive Director (upto September 26, 2023)
5. Anish Kumar Saraf - Non Executive Director

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited)
3. Lone Furrow Investment Private Limited

(v) Employee Benefit Plans

1. Medplus Employees Group Gratuity Assurance Scheme
2. Optival Employees Group Gratuity Assurance Scheme

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(b) Related party transactions during the year ended

	March 31, 2024	March 31, 2023
(i) Enterprises over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of Property, plant and equipment	19.55	74.23
Purchase of maintenance Items	0.43	0.42
Sale of Property, plant and equipment	10.02	-
Rental income	0.71	0.69
Purchase of Stock-in-trade	0.12	1.40
Lease payments	2.70	2.70
Reimbursement of expenses received	2.06	2.06
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03
(ii) Key Management Personnel		
1. G. Madhukar Reddy		
a. Managerial remuneration		
Short-term employee benefits	4.00	4.00
Post employment benfits	0.20	0.81
b. Rent	3.15	3.19
2. C. Bhaskar Reddy		
a. Managerial remuneration		
Short-term employee benefits	5.01	-
Post employment benfits	0.20	-
3. Hemanth Kundavaram		
a. Remuneration		
Short-term employee benefits	-	2.14
4. Shilpi Keswani		
a. Remuneration		
Short-term employee benefits	1.12	1.03
5. Sujit Kumar Mahato		
a. Remuneration		
Short-term employee benefits	13.71	4.37
Post employment benfits	0.04	0.06
b. Share-based payment expense	7.22	0.04
6. Manoj Kumar Srivastava		
a. Remuneration		
Short-term employee benefits	5.01	-
Post employment benfits	0.01	
b. Share-based payment expense	0.47	-
7. Sitting fee paid to directors	7.25	6.65

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(c) Balances (Receivable) / Payable

	March 31, 2024	March 31, 2023
(i) Key Management Personnel		
1. G. Madhukar Reddy	1.65	1.71
2. C. Bhaskar Reddy	1.82	-
3. Sujit Kumar Mahato	0.63	0.31
4. Manoj Kumar Srivastava	0.60	-
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	8.84	2.32

Refer note 19 for the details of the guarantees given by related parties to the lenders of the Group.

Note:

1. All transactions with these related parties are priced on an arm's length basis and are to be settled in cash. All the outstanding balances are unsecured, interest free. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.

2. Managerial remuneration does not include post employment benefit which is determined for Group as whole.

44. Fair Values

Refer Note 2.2(q) for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets				
Financial assets at amortised cost:				
a) Trade receivables	175.04	86.51	175.04	86.51
b) Cash and cash equivalents	912.09	2,283.75	912.09	2,283.75
c) Bank balances other than above	504.73	554.60	504.73	554.60
d) Others	1,152.76	822.33	1,152.76	822.33
Total Financial assets	**2,744.62**	**3,747.19**	**2,744.62**	**3,747.19**
Financial liabilities				
Financial liabilities at amortised cost:				
a) Borrowings	-	-	-	-
b) Trade payables	2,530.35	2,601.44	2,530.35	2,601.44
c) Lease liability	10,095.69	8,999.24	10,095.69	8,999.24
d) Others	714.77	674.58	714.77	674.58
Total Financial Liabilities	**13,340.81**	**12,275.26**	**13,340.81**	**12,275.26**

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 amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and lease liabilities subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

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 financial risks i.e., credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors is responsible for overseeing the Group's risk assessment and management policies and processes.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk, except for trade receivables.

Trade and other receivables

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹181.53 and ₹92.96 as of March 31, 2024 and March 31, 2023 respectively, being the total of the carrying amount of balances with trade receivables.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2024	124.25	57.28	181.53
As at March 31, 2023	67.80	25.16	92.96

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Particulars	March 31, 2024	March 31, 2023
At the beginning of the year	6.45	7.69
Provision for Impairment	0.87	4.68
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	(0.83)	(5.92)
At the end of the year	**6.49**	**6.45**

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
March 31, 2024:				
Trade payables	2,530.35	-	-	2,530.35
Other financial liabilities	705.42	9.35	-	714.77
Lease liability	2,119.17	7,290.85	5,154.06	14,564.08
	5,354.94	**7,300.20**	**5,154.06**	**17,809.20**

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:				
Borrowings	-	-	-	-
Trade payables	2,601.44	-	-	2,601.44
Other financial liabilities	667.50	7.08	-	674.58
Lease liability	1,768.55	7,300.96	2,972.01	12,041.52
	5,037.49	**7,308.04**	**2,972.01**	**15,317.54**

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.

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	March 31, 2024	March 31, 2023
Borrowings including interest accrued on borrowings	-	-
Less: Cash and cash equivalents	912.09	2,283.75
Less: Other bank deposits	285.02	49.55
Net debt	**(1,197.11)**	**(2,333.30)**
Equity	239.07	238.61
Other Equity	15,540.25	14,673.17
Total Equity	**15,779.32**	**14,911.78**
Gearing ratio (Net Debt/ (Net Debt+Total Equity))	N/A	N/A

In order to achieve this overall objective, the Group’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. The Group has no outstanding borrowings as at March 31, 2024 & March 31, 2023

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024.

48. Details of Corporate Social Responsibility (CSR) expenditure

	March 31, 2024	March 31, 2023
(a) Gross amount required to be spent by the Group during the year	16.50	16.02
(b) Amount approved by the Board to be spent during the year	16.50	16.02
(c) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	16.50	16.02
(d) (Shortfall) / Excess at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Details of related party transactions	-	-
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	-	-
(h) Reason for shortfall:	NA	NA
For the year ending March 31, 2024 and March 31, 2023 : 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 March 31, 2024

(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 "Operating Segments", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment. Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.During the year, the group has two primary segments i.e. (i) Retail trading of pharmaceuticals and general items, & (ii) Diagnostic services.

Particulars	March 31, 2024					March 31, 2023				
	Retail	Diagnostics	Others	Unallocated	Total	Retail	Diagnostics	Others	Unallocated	Total
REVENUE										
External sales	54,977.39	748.85	9.18	-	55,735.42	44,979.74	305.54	1.52	-	45,286.80
Inter-segment sales	-	-		-	-	-				-
Total revenue	**54,977.39**	**748.85**	**9.18**	**-**	**55,735.42**	**44,979.74**	**305.54**	**1.52**	**-**	**45,286.80**
Less: Eliminations	-	-	-	-	-	-	-	-	-	-
Other operating revenue	513.13	-	-	-	513.13	288.96	-	-	-	288.96
Total Revenue from operations	**55,490.52**	**748.85**	**9.18**	**-**	**56,248.55**	**45,268.70**	**305.54**	**1.52**	**-**	**45,575.76**
Segment results	916.25	(318.10)	1.17		599.32	599.12	(294.50)	(0.90)		303.72
Unallocated expeses / Income	-	-		-	-	-	-		-	-
Interest expense	(0.18)	-		(0.47)	(0.65)	-	-		(8.81)	(8.81)
Interest income	-	-		135.77	135.77	-	-		176.72	176.72
Profit before tax					**734.44**					**471.63**
Tax benefit / (expenses)					(78.66)					29.42
Profit for the year					**655.78**					**501.05**
OTHER INFORMATION										
Segment assets	26,171.18	1,633.34	22.64	2,220.85	30,048.01	23,029.62	1,719.85	-	3,217.71	27,967.18
Total assets					**30,048.01**					**27,967.18**
Segment liabilities	13,309.03	963.63	1.76	-	14,274.42	12,118.54	932.44	-	11.19	13,062.17
Total liabilities					**14,274.42**					**13,062.17**
Capital expenditure	768.76	75.22	0.01	-	**843.99**	1,285.40	402.63	-	2.02	**1,690.05**
Depreciation and amortization expense	2,030.76	210.71	0.67	-	**2,242.14**	1,684.02	131.37	-	0.17	**1,815.56**
Interest Income	71.56	2.04	0.01	135.77	**209.38**	97.88	3.28	-	176.72	**277.88**
Finance Cost	887.57	76.24	0.05	0.47	**964.33**	756.01	65.45	-	8.81	**830.27**
Non-cash expenses other than depreciation	1,205.72	113.76	0.75	-	**1,320.23**	797.46	109.79	-	0.04	**907.29**

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

(A) Analysis of revenue by geography

The group operates within india and does not have operations in economic environments with different risks and returns. Hence, no separate financial disclosures are provided in respect of its geographical segment.

(B) Information about revenue from major customers which is included in revenue

There are no transactions with single external customer which amounts to 10% or more of the Group's revenue.

50. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - General instructions for the preparation of consolidated financial statements

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹	% of Net of Consolidated profit & Loss	₹	% of Other Comprehensive Income	₹	% of Total Comprehensive Income	₹
Parent								
MedPlus Health Services Private Limited								
Balance as at March 31, 2024	74.31%	11,726.30	14.61%	95.81	-790.91%	4.35	15.29%	100.16
Balance as at March 31, 2023	76.54%	11,412.78	11.06%	55.44	-106.59%	(3.56)	10.29%	51.88
Subsidiaries in India								
Optival Health Solutions Private Limited ('OHSPL')								
Balance as at March 31, 2024	76.64%	12,092.65	79.15%	519.07	881.82%	(4.85)	78.48%	514.22
Balance as at March 31, 2023	76.81%	11,453.84	77.93%	390.49	202.69%	6.77	78.76%	397.26
MHS Pharmaceuticals Private Limited ('MHS')								
Balance as at March 31, 2024	1.38%	218.24	-0.25%	(1.64)	0.00%	-	-0.25%	(1.64)
Balance as at March 31, 2023	1.47%	219.88	-0.16%	(0.82)	0.00%	-	-0.16%	(0.82)
Wynclark Pharmaceuticals Private Limited ('WPPL')								
Balance as at March 31, 2024	1.13%	177.90	4.79%	31.44	0.00%	-	4.80%	31.44
Balance as at March 31, 2023	0.98%	146.45	11.13%	55.75	0.00%	-	11.05%	55.75
Nova Sud Pharmaceuticals Private Limited('NPPL')								
Balance as at March 31, 2024	0.41%	64.82	0.33%	2.19	0.00%	-	0.33%	2.19
Balance as at March 31, 2023	0.42%	62.63	-0.36%	(1.82)	0.00%	-	-0.36%	(1.82)
Sai Sridhar Pharma Private Limited ('SSPPL')								

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹	% of Net of Consolidated profit & Loss	₹	% of Other Comprehensive Income	₹	% of Total Comprehensive Income	₹
Balance as at March 31, 2024	1.04%	163.71	2.81%	18.42	-65.45%	0.36	2.87%	18.78
Balance as at March 31, 2023	0.97%	144.95	6.45%	32.34	3.29%	0.11	6.43%	32.45
Venkata Krishna Enterprises Private Limited ('VKEPL')								
Balance as at March 31, 2024	1.74%	274.10	5.76%	37.76	34.55%	(0.19)	5.73%	37.57
Balance as at March 31, 2023	1.58%	235.71	11.40%	57.10	1.50%	0.05	11.33%	57.15
Deccan Medisales Private Limited ('DMPL')								
Balance as at March 31, 2024	0.49%	77.67	1.12%	7.35	16.36%	(0.09)	1.11%	7.26
Balance as at March 31, 2023	0.47%	70.41	1.91%	9.55	-0.30%	(0.01)	1.89%	9.54
Shri Banashankari Pharma Private Limited ('SBPPL')								
Balance as at March 31, 2024	0.00%	0.78	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Balance as at March 31, 2023	0.01%	0.81	-0.03%	(0.17)	0.00%	-	-0.03%	(0.17)
Sidson Pharma Distributors Private Limited ("SPDPL')								
Balance as at March 31, 2024	0.51%	80.11	1.31%	8.60	23.64%	(0.13)	1.29%	8.47
Balance as at March 31, 2023	0.48%	71.44	2.98%	14.91	-0.60%	(0.02)	2.95%	14.89
Kalyani Meditimes Private Limited ('KMT')								
Balance as at March 31, 2024	-0.10%	(15.64)	-1.40%	(9.19)	0.00%	-	-1.40%	(9.19)
Balance as at March 31, 2023	-0.04%	(6.44)	1.44%	7.24	0.00%	-	1.44%	7.24
Clearancekart Private Limited								
Balance as at March 31, 2024	0.00%	(0.06)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Balance as at March 31, 2023	0.00%	(0.05)	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
MedPlus Insurance Brokers Private Limited								
Balance as at March 31, 2024	0.13%	20.91	0.26%	1.71	0.00%	-	0.26%	1.71
Balance as at March 31, 2023	0.00%	19.21	0.00%	(0.79)	0.00%	-	0.00%	(0.79)
Minority interests in all subsidiaries								
Balance as at March 31, 2024	-0.04%	(5.73)	0.16%	1.04	0.00%	-	0.16%	1.04
Balance as at March 31, 2023	-0.05%	(6.77)	0.68%	3.42	0.00%	-	0.68%	3.42

Notes to Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	₹	% of Net of Consolidated profit & Loss	₹	% of Other Comprehensive Income	₹	% of Total Comprehensive Income	₹
Consolidation adjustments								
Balance as at March 31, 2024	-57.52%	(9,075.53)	-8.40%	(55.06)	0.00%	-	-8.40%	(55.06)
Balance as at March 31, 2023	-59.64%	(8,893.85)	-24.42%	(122.37)	0.00%	-	-24.26%	(122.37)
Total								
Balance as at March 31, 2024	100.00%	15,779.32	100.00%	655.77	100.00%	(0.55)	100.00%	655.22
Balance as at March 31, 2023	100.00%	14,911.78	100.00%	501.05	100.00%	3.34	100.00%	504.39

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.

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

51. The Group does not have any long term contracts or derivative contracts on which material foreseeable losses were noted.

52. Other statutory information

(i) Based on the available information, the Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 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 Group for holding any Benami property.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries."

(vii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

(viii) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The group has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company

53. Initial Public Offer and Utilization of Proceeds

The Parent Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of face value of ₹2 each during the year ended March 31, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Parent Company for an amount of ₹6,000.00 and an offer for sale of 1,00,28,831 equity shares by certain shareholders for an amount of ₹7,982.95. Further, an amount of ₹536.83 has been incurred towards the IPO related expenses which are proportionately allocated

Notes to Consolidated **Financial Statements** for the year ended March 31, 2024

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

between the Parent Company and the Selling Shareholders as per respective offer size, with the Parent Company's share of expenses aggregating to ₹217.27 being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the Parent Company (Net of IPO related expense) is summarized below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31, 2024	Unutilised amount as on March 31, 2024*
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	448.53	662.50
Total	**5,782.73**	**5,120.23**	**662.50**

* The unutilised proceeds of ₹662.50 have been placed as fixed deposits with bank .

54. Government Grant

Other income includes incentives against skill development under National Apprenticeship Promotion Scheme of ₹9.98 (March 31, 2023, ₹27.57).

55. During the year ended March 31, 2024, with respect to the merger between the Parent Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, the Parent Company has received approval from equity shareholders and trade creditors at their meeting held on December 15, 2023 pursuant to National Company Law Tribunal (NCLT) order dated November 7, 2023. The Parent Company has filed the final petition for approval under Section 232 Read with Section 230 of the Companies Act, 2013 dated December 26, 2023 with the NCLT. Further, the hearing for final approval has been adjourned to June 13, 2024. Consequent adjustments in the financial statements will be made on receipt of requisite approval.

As per our report of even date

For **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number 128510W

Arpan Jain
Partner
Membership Number: 125710

New Delhi, May 28, 2024

For and on behalf of the Board of Directors of
MedPlus Health Services Limited

G. Madhukar Reddy
Managing Director & CEO
DIN: 00098097

C. Bhaskar Reddy
Whole time Director
DIN:00926550

Sujit Kumar Mahato
Chief Financial Officer

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 28, 2024

Hyderabad, May 28, 2024

Notes

MEDPLUS HEALTH SERVICES LIMITED

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