



September 02, 2022

To,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Company Code No. VIJAYA

To,
The Corporate Relations Department
BSE Limited
Phiroz Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001
Company Code No. 543350

Dear Sir/Madam,

Sub: Submission of Annual Report for the F.Y. 2021-22 and Notice convening the 20th AGM.

Pursuant to the provisions of Regulation 30 & Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2021-22 along with the Notice convening the 20th Annual General Meeting (AGM) which is scheduled to be held on Wednesday, September 28, 2022 at 03:00 P.M. (IST) through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") in accordance with relevant circulars issued by the Ministry of Corporate Affairs and SEBI.

The Annual Report along with the Notice of the AGM for the Financial Year 2021-22 is also available on the website of the Company at www.vijayadiagnostic.com.

Further, e-voting facility and facility to join AGM through VC/OAVM is being made available through e-voting service provider, Kfin Technologies Ltd, to all the Members of the Company. The Cut-off date for determining the eligibility of the members to vote by electronic means and/or to participate in the AGM is Wednesday, September 21, 2022.

The remote e-voting facility will be available during the below given period:

Commencement of remote e-voting	Sunday, September 25, 2022 at 9:00 a.m. (IST)
End of remote e-voting	Tuesday, September 27, 2022 at 5:00 p.m. (IST)

Please take the above information on record.

Thanking you,

Yours faithfully
For Vijaya Diagnostic Centre Limited

Anusha Kanumuru
Company Secretary
Encl.: As above



EXPANDING FOOTPRINT WITH YOUR TRUST AT OUR CORE



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A CREDIBLE PORTRAIT OF PERFORMANCE

₹4,624 MN

Revenue from operations


23% y-o-y growth,
driven by 26% growth in non-Covid business


₹2,037 MN

EBDITA


23% y-o-y growth

38%

Y-o-Y growth in footfalls


from 2.63 million to
3.62 million

₹1,107 MN

Profit after Tax

44.1%

EBIDTA margin

Forward-looking statements

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



Scan QR code to
read more about us

What you are reading is our maiden annual report following our successful listing in September 2021. We are grateful for the trust and support that we have received from all our investors, shareholders and the society at large. We are committed to deliver on the expectations of all our stakeholders.

Notwithstanding challenges posed by repeated waves of the pandemic and inflationary pressure on the economy and our business, we have been able to post an encouraging operational and financial performance in the financial year 2021-22 (FY22).

We have over the years created a strong foundation for growth on the strength of our brand reputation and trust in South India. Our future action plan is to build on the foundation and expand our operations in adjacent geographies and East India. The South India strategy is to expand our presence in concentric circles, given our hub-and-spoke model. In East India, we aim to replicate our successful hub-and-spoke model. In addition, we are planning to expand in potential Tier 2 and Tier 3 cities of our core and adjacent geographies, which are untapped to stay ahead of competition.

**Since our inception in 1981,
we have crossed
many milestones
and delivered
exceptional
diagnostic services
to patients.**

**Even as our industry landscape continues
to evolve, we believe healthcare is need
based and**

**trust among doctors
and patients and
service quality
are critical
differentiators.**

**We will continue to strengthen
our differentiated services,
while expanding footprint, with
stakeholder trust at our core.** ●

PROVIDING ACCURATE AND TRUSTWORTHY DIAGNOSTIC SERVICES

Vijaya Diagnostic Centre Limited is the largest integrated diagnostic chain in South India, providing comprehensive, innovative and best-in-class diagnostic services, in a reliable, affordable and customer-centric manner.

Founded in 1981 by Dr. S. Surendranath Reddy, we consistently work towards providing quality diagnostic services through our centres. We are a pioneer in using advanced technologies for conducting tests for our patients. Our qualified team of professionals include specialised/super specialised doctors and country's top radiologists, pathologists and healthcare professionals. Our technical capabilities and quality infrastructure have enabled us to build a trusted brand that doctors can rely upon to deliver best healthcare outcomes for their patients.

4 DECADES

Of experience

95

State-of-the-art centres

200 +

Specialised/super specialised doctors

3.62 Mn

Patients Served

9.32 MN

Tests Performed

2.57

Tests per footfall (Nos)

₹496

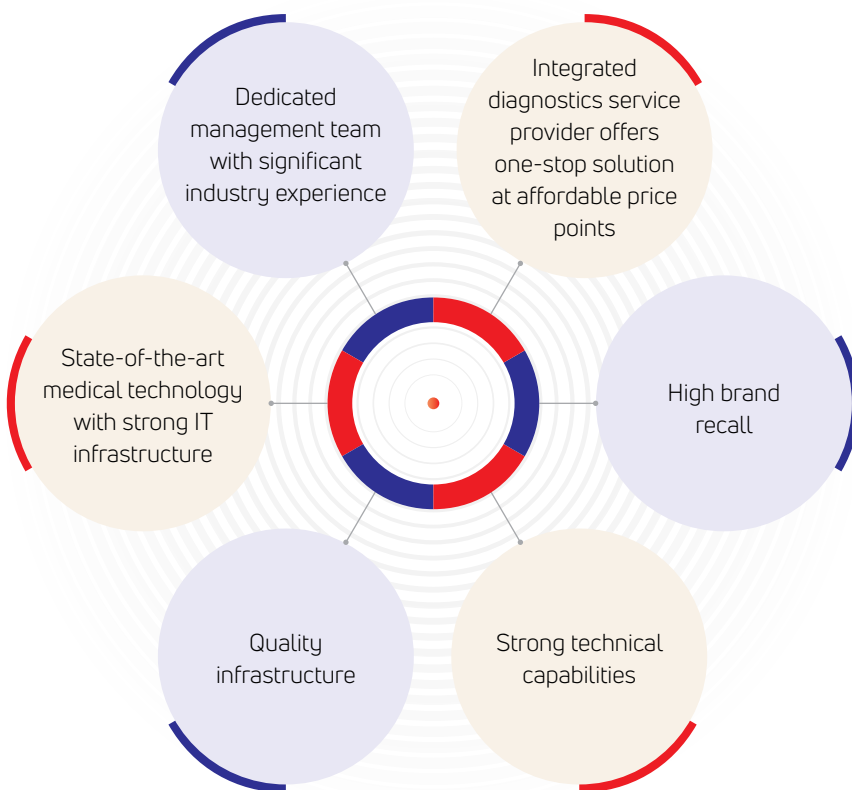
Revenue per test

₹1,276

Revenue per footfall



Our Competitive Strengths



Our Values



Vijaya Diagnostic Centre helps facilitate the provision of timely, affordable and state-of-art diagnostic care in a safe and secure environment. At Vijaya Diagnostic Centre, we understand that high quality and reliable diagnostic findings are critical for superior clinical outcomes. Our diagnostic space is equipped with instruments and devices of highest technical standards and managed by the most skilled pathologist, radiologist and technical staff thereby

meeting the needs of the physicians and patients. We keep track of the technological advancements and offer our customers access to the latest developments in diagnostic medicare. To achieve consistent safety and quality, we comply with the most stringent quality and ethical norms. We continuously expand our value-added services to better serve patients with dignity, respect and compassion.

Mission



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

Vision



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

SERVING PATIENTS WITH INTEGRITY FOR DECADES

1981

Vijaya Diagnostic Centre was incorporated in Hyderabad

2019

Awarded Best Diagnostic Centre – India by Times Healthcare Achievers Group

2020

One of the earliest private diagnostic service providers to be approved for COVID RT-PCR testing by ICMR*

2008

Became the first independent diagnostic centre in South India to offer PET CT from Wipro GE Healthcare Pvt. Ltd.

2018

Awarded 'Brand of the Year' in diagnostic services by The CEO Magazine and Telangana Healthcare Leadership award

2021

- Successfully listed on Indian Stock Exchanges (NSE & BSE)
- First independent diagnostic centre in Telangana to get Revolution ACT 50 slice CT

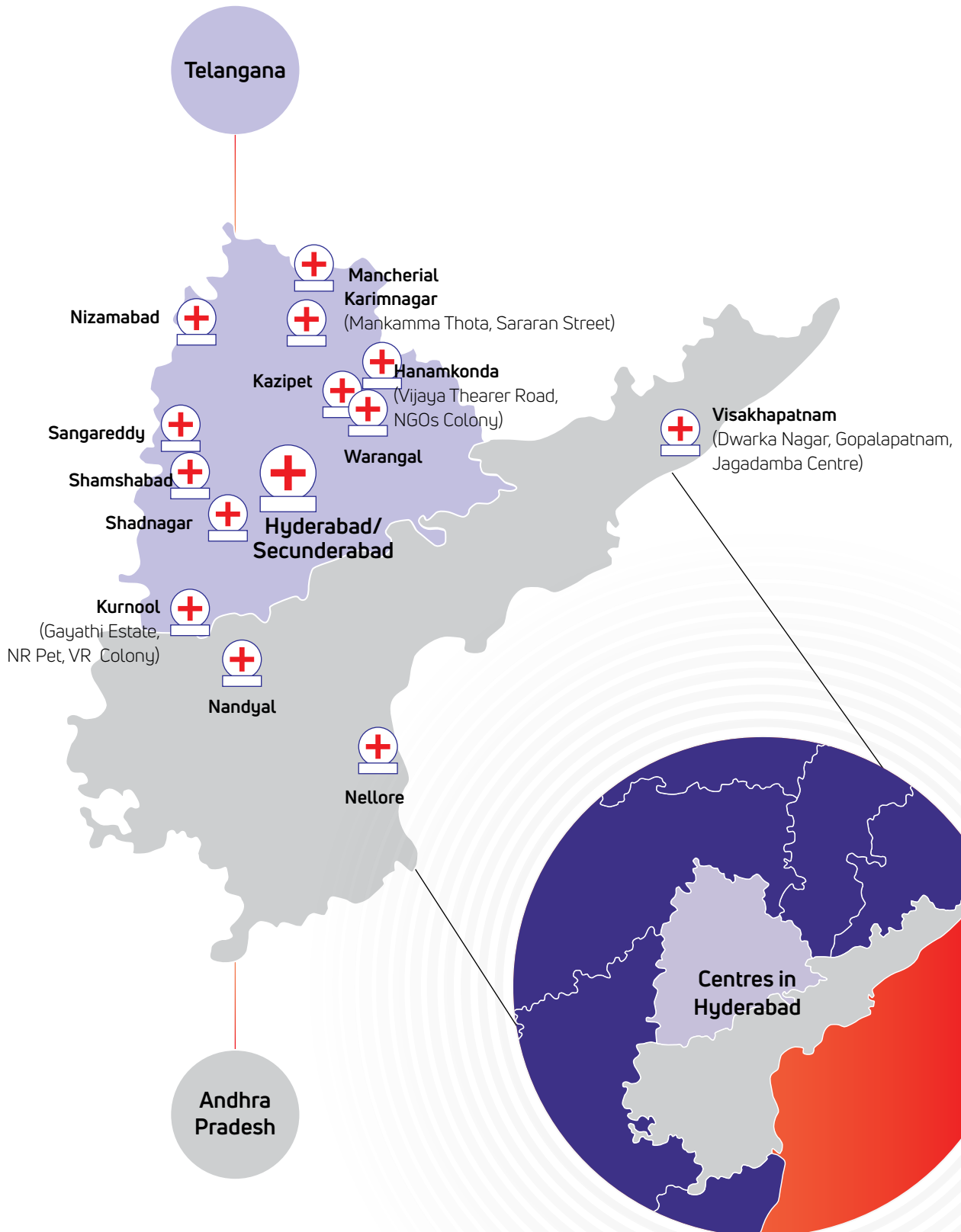
2012

Recognised as one of the 'Best Imaging' centres in Hyderabad by The Week

2016

Investment by Karakoram Limited and Kedaara Capital Alternative Investment Fund –Kedaara Capital AIF1

DELIVERING QUALITY SERVICES TO MILLIONS OF PATIENTS ACROSS LOCATIONS



CHAIRMAN'S PERSPECTIVE

Dr. S. Surendranath Reddy
Executive Chairman



Dear Shareholders

It is an honour for me to write to you at the end of another eventful year. I hope this letter finds you and your loved ones in good health.

The fiscal 2021-22 has been a landmark year for Vijaya Diagnostics. We were listed on India's Stock Exchanges in September 2021 after a successful initial public offering (IPO). I sincerely thank all our stakeholders and investors for their invaluable faith in our vision and capabilities.

I am also delighted to report that we have crossed the ₹100-crore milestone in profit after tax (PAT) in FY22. We will continue to strengthen our capabilities to enhance value for all stakeholders with a long-term perspective.

“ Reflecting on the operating environment, fiscal 2021-22 was beset with several headwinds. Repeated outbreaks of Covid variants disrupted lives and livelihoods and presented unpredictable economic challenges.”

Proving our mettle

Reflecting on the operating environment, fiscal 2021-22 was beset with several headwinds. Repeated outbreaks of Covid variants disrupted lives and livelihoods and presented unpredictable economic challenges. Once the fierce impact of the pandemic began to wane, the geopolitical upheaval in Europe towards the end of the financial year further disrupted growth prospects in India and other parts of the world. The high inflationary environment is exerting pressure on corporate margins and is expected to remain elevated for the entire length of the current fiscal year.

Amid the uncertainties, the diagnostic industry has proved its mettle in the fight against the pandemic. It has also brought about a huge change in how the industry is perceived by patients, regulatory bodies and even the general public. With people becoming increasingly conscious of their health and well-being, the diagnostic industry has been agile in adapting to evolving requirements of patients and the medical fraternity.

We firmly believe that healthcare is need-based and the trust of doctors and patients, along with high-quality services are critical differentiators for us. We are committed to make the patient's medical journey faster, more transparent and more accurate.

Being a responsible social steward

At Vijaya, we firmly believe in giving back to society and we make an effort to help improve social infrastructure. We aim to effectively engage with our stakeholders across verticals to foster lasting relations and strive to make a positive impact on society.

During the year under review, we conducted our community initiatives in the area of healthcare, education and skill development.

At Vijaya, our approach is shaped by intelligent and informed business decisions. With our strong technical capabilities, high brand recall and endeavour for consistent improvement, we are confident of our continued profitable growth.

Our people are our biggest assets and it is because of their expertise and dedication that we have been able to explore new avenues of growth. I extend my gratitude to our teams for their unwavering dedication and hard work. I am also grateful to our customers for the trust they have continued to place in us over the years.

Regards,

Dr. S. Surendranath Reddy

Executive Chairman

CEO'S INSIGHTS

Suprita Reddy
CEO

Dear Shareholders

It gives me immense pleasure to write to you at the end of the financial year to discuss positive and stable growth figures for 2021-22. We have survived one of the most difficult phases of the pandemic and I hope you and your families are well and safe.



For more than four decades Vijaya Diagnostics has been developing innovative ways to offer the entire range of diagnostic services under one roof, with greater speed, accuracy and efficiency. We take pride in being the pioneer in introducing many new specialised investigations in the diagnostic space. We have also been rewarded, time and again, for the strength of our brand and the superior quality of our services.

Achieving milestones

In the fiscal 2021-22, we continued providing efficient and affordable diagnostic services to our patients and, despite the challenges in our operating environment, we ended up achieving crucial milestones.

During the fiscal year, we opened 15 centres, which is by far, the maximum number of centres we opened in a single year. I am happy to report that our revenues increased by 23% to ₹462 crore, driven by a strong growth of 26% in our non-Covid business. Our EBITDA crossed the milestone of ₹200 crore and stood at ₹204 crore. EBITDA margins stood at 44.1% of revenue. We reported a PAT of ₹110 crore with a net profit margin of 23.9%, the highest ever PAT achieved by us so far. I am also happy to share that the Board of Directors have

“During the fiscal year, we opened 15 centres, which is by far, the maximum number of centres we opened in a single year. I am happy to report that our revenues increased by 23% to ₹462 crore, driven by a strong growth of 26% in our non-Covid business.”

recommended a dividend of 100% of face value of ₹1 each.

Keeping pace with evolving preferences

At Vijaya, our business strategies have always been based on the needs and the feedback of patients and the medical fraternity. In line with their requirements, we regularly introduce wellness packages, while also generating a sizeable amount of revenue and footfall through these packages. Besides, we have also been adopting digital initiatives to adapt to the changing trends and to make the patients journey more satisfying and more convenient.

Currently, we are developing a fully functional mobile application, a progressive web application and comprehensive AI-enabled WhatsApp chatbot. We are also working to completely revamp our website which will make it more responsive, easy to use and include more advanced features to make the customer experience wholesome and complete. Most of these digital initiatives are close to completion and we are planning to launch them soon.

Strengthening our hub-and-spoke model

Talking about our expansion plans, for the next two years, our target is to expand across Eastern India and adjacent geographies, while continuing to grow our services in the geographies where we are already present. To consolidate our presence in tier 2 and tier 3 cities, we are adding more hub centres. In South India, our strategy is to expand our presence in concentric circles, given our hub-and-spoke model. In Eastern India, we are aiming to replicate our successful hub-and-spoke model.

Our expansion plan will be a combination of Company-owned centres and selective acquisitions, while ensuring that there is no dilution in the quality of services. Towards this end, all members of the workforce will be employed and trained by us. As the market is fragmented and expected to consolidate in the near future, we will also evaluate organic and inorganic opportunities for growth across the geographies of our interest.

Although there are market uncertainties, our biggest advantage is

that Vijaya offers integrated diagnostic services, deriving over 35% of total revenue from radiology, which has been consistent across quarters. We clearly differentiate ourselves from other players by concentrating our focus on B2C business, leading to a significant brand recall.

Way forward

We have, over the years, established our reputation as a trusted partner of patients in providing accurate and transparent diagnostic services. We will continue to build on the goodwill of trust and transparency, while enhancing our scale of operations and footprint.

We will continue to capitalise on the healthy demand recovery from non-Covid, radiology and wellness businesses to enhance value for all stakeholders.

Regards,

Suprita Reddy
CEO

IDENTIFYING CAPITALS TO DERIVE VALUE*

Input

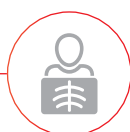
Financial capital

Planned capital allocation to strengthen network



Manufactured Capital

- Strong network of diagnostic centres (95)
- Quality infrastructure and state-of-the-art medical technology with strong IT infrastructure



Human Capital

- Good HR policies to attract, motivate and retain quality people
- Upskilling employees through regular training



Intellectual Capital

- Introducing new technologies
- Advanced diagnostic techniques for routine, specialised and super-specialised tests
- Complete range of diagnostic services under one roof



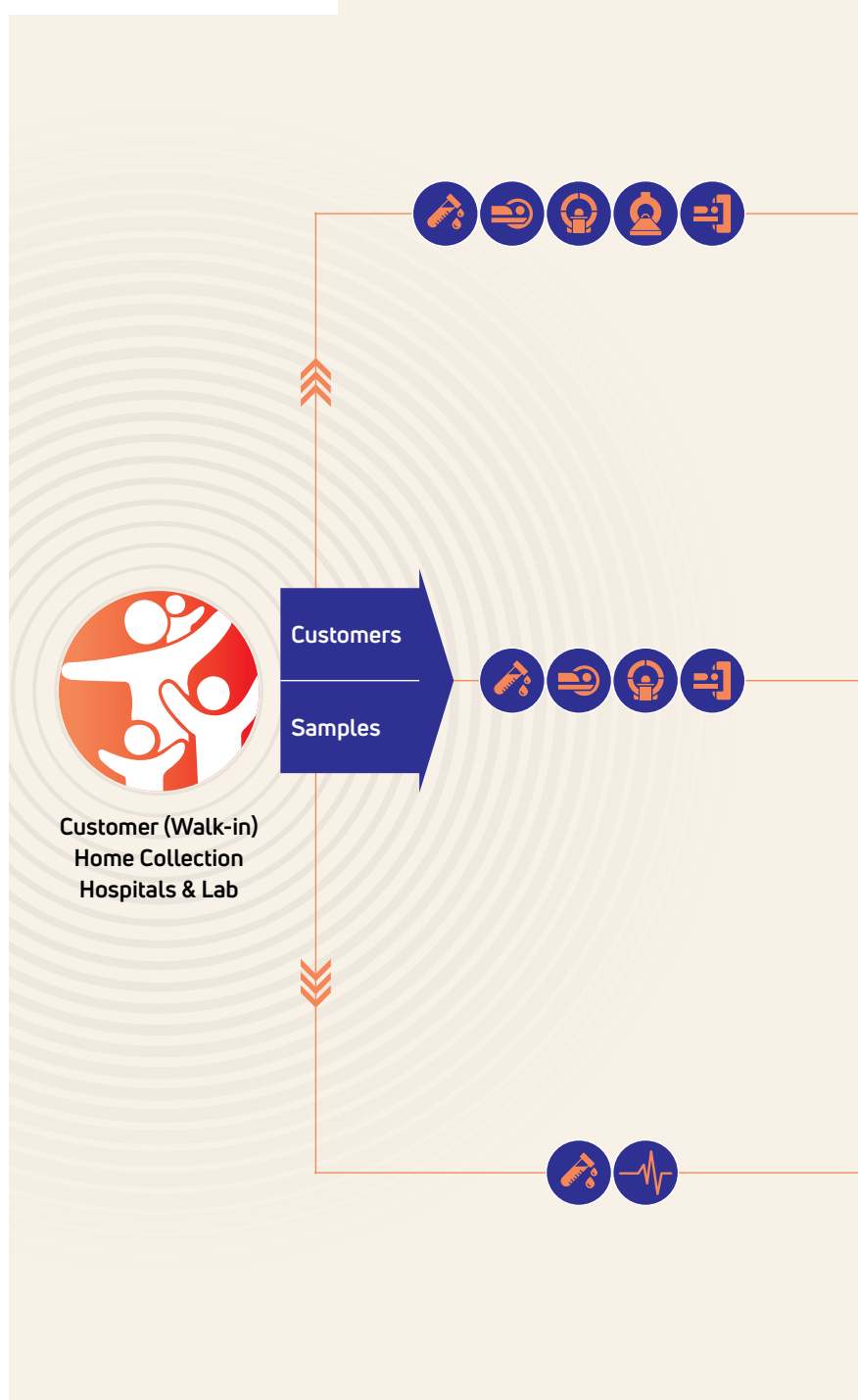
Social and Relationship Capital

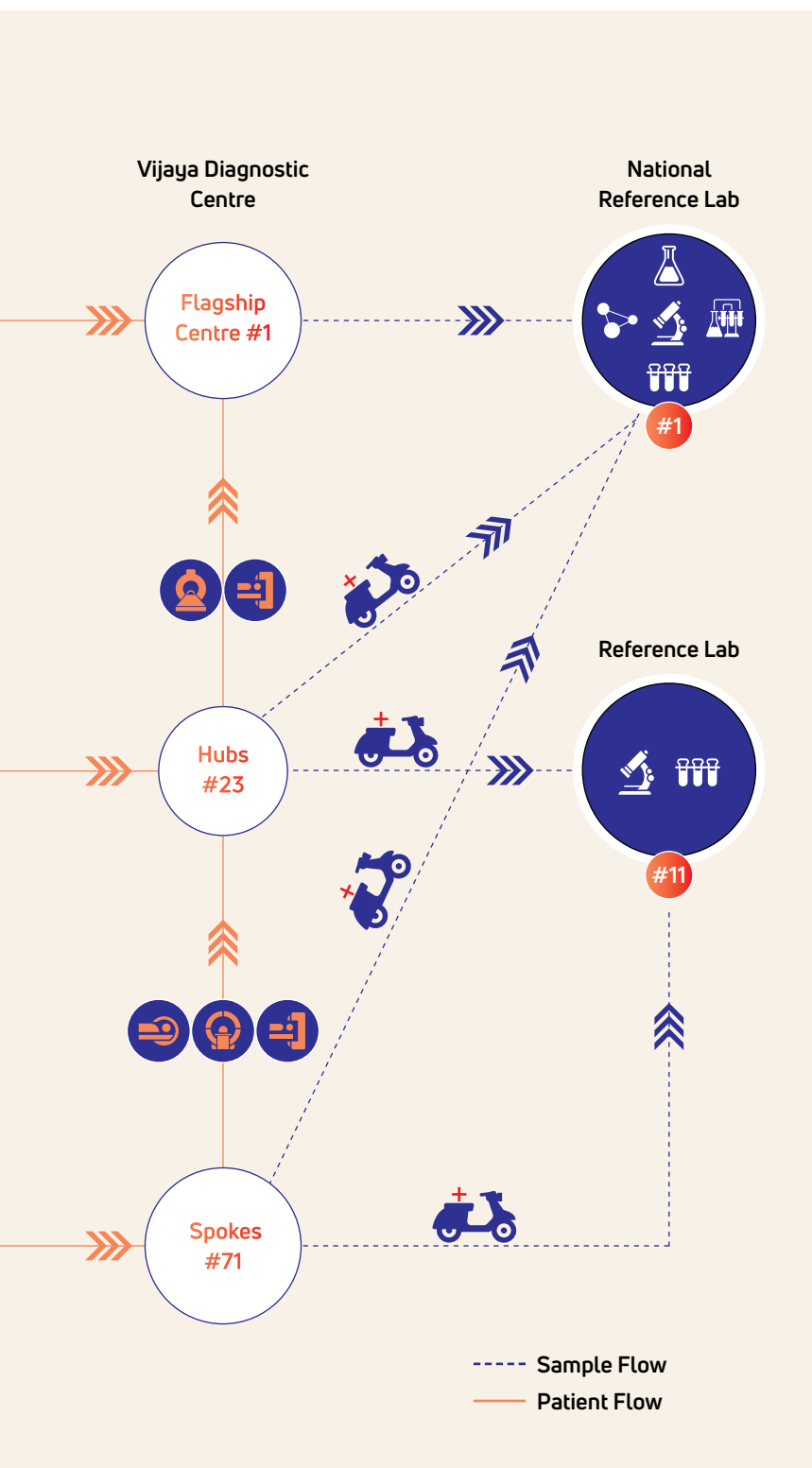
- CSR expenditure for FY22 was Rs 17.55 million
- Robust corporate governance



Value creation

Value creation process





Outputs/Outcomes

Financial capital

₹4,624 MN

Revenue

₹1,107 MN

PAT

10.76

EPS (basic)

Manufactured Capital

3.62 MN

Footfalls

9.32 MN

Tests conducted in FY 22

Human Capital

2300+[#]

Total employees

Intellectual Capital

11

NABL accreditation

5

NABH accreditations

High brand recall

driving customer stickiness

Social and Relationship Capital

Benefiting the Community

through skill development,
promoting healthcare and
quality education

[#]Includes trainees.

* For more details on capitals read **page 16-27**

ROBUST FORWARD-LOOKING STRATEGY

We have formulated a sound long-term strategy to grow profitably and sustainably in a dynamic industry scenario. We are confident that our strategic plan will enable us to stand out as a provider of trusted diagnostic services and to maintain our growth momentum.

Deepen footprint in core markets

We plan to deepen our reach in the states of Telangana and Andhra Pradesh by :

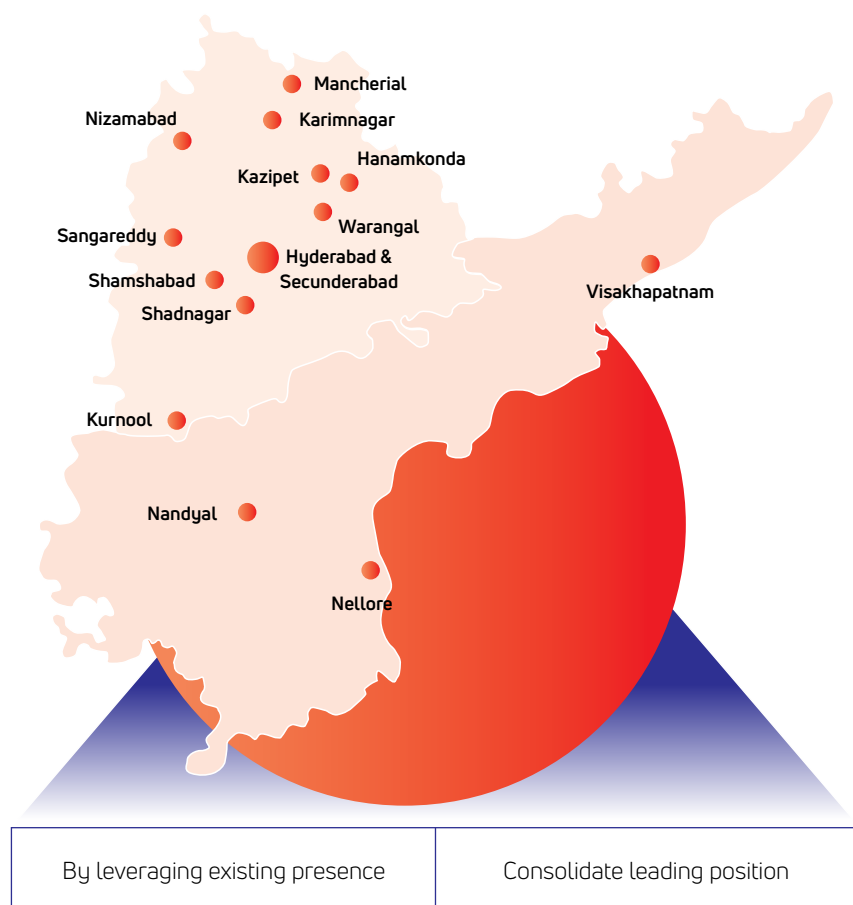
- 01** expanding service network by opening additional diagnostic centres;
- 02** enhancing our laboratory capacity and test menu by adding latest technologies;
- 03** increasing our business from individual customers by offering a portfolio of additional services;
- 04** physician engagement through medical awareness initiatives and meetings with medical practitioners; and
- 05** increased focus on preventive and wellness offerings.
- 06** Corporate empanelments.

Leveraging our brand presence

We have built a trusted, high quality and reliable brand of choice over the last four decades. In comparison to prospective demand, the diagnostic market in India is underdeveloped. Our network expansion will remain our priority. We intend to expand into unexplored geographies by establishing a few hub centres in locations where our brand is already well-established and there are already catchment areas.

As a result of intense competition, industry participants have used a number of strategies to set themselves apart in terms of bandwidth, including home collection and point-of-contact testing. To better serve our clients, we intend to expand our home collection services in our key market areas.

Our network expansion will remain our priority. We intend to expand into unexplored geographies by establishing a few hub centres in locations where our brand is already well-established and there are already catchment areas.



Customer-centric services and offerings

We plan to offer additional preventive and wellness services through the adoption of new, cutting-edge diagnostic testing technology. We believe such an initiative will expand our scope of diagnostic services and further enhance the reputation of our brand.

We intend to offer more preventive and wellness packages, preventive healthcare screening and chronic and lifestyle disease management services to individual and corporate customers,

given the increasing health awareness of, and concomitant increase in, chronic and lifestyle diseases in India. This would include additional development in the areas of genetics, molecular and oncology testing, as well as an expansion of our current chronic disease management and wellness programmes. We also intend to enhance our pathology and radiology test offerings by offering customised packages to our customers to cater to specific their needs.

Expanding to new geographies

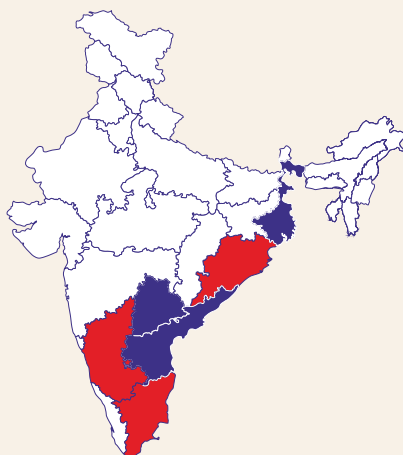
We want to establish our footprint in regions adjacent to Telangana and Andhra Pradesh. We have zeroed in on certain cities and towns, where we feel our brand is well-known yet underserved. A wider geographic reach will help expand our customer base and improve our profitability by allowing us to better leverage our infrastructure.

We also plan to foray into East India, particularly Kolkata. We believe that the growing demand presents us with an opportunity to establish a network of our diagnostic centres in East India. We intend to replicate our 'hub and spokes' model, while expanding into East India.

Strategic partnership

We want to strengthen our organic growth by strategically investing in businesses that have a strong vintage, reputation and market position in nearby markets. Although the diagnostics business is extremely fragmented, consumer demands for high-quality service and complicated tests, together with high capital expenditure needs for radiology, present a chance for speedier consolidation in India. We will actively investigate a few expansion prospects through strategic partnerships or acquisitions of local diagnostic service providers.

We evaluate a set of attributes, including brand, customer base, customer-centric focus and culture, technical capacity, and resources when considering acquisition candidates. By operational revenue, we are the largest integrated diagnostic chain in Southern India. We are in a good position to benefit from the anticipated prospects for consolidation and the transition to organised providers in the Indian diagnostics sector because of our dominant market position, extensive industry experience and expertise.



South India strategy

- Expand our presence across underserved important cities and towns where our brand is well-known.
- A wider geographic reach will increase our client base and improve profitability.

East India Strategy

- Replicating our successful 'hub and spokes' concept in East India in response to growing demand
- Kolkata has been designated as a hub, and other diagnostic centres will be built around it.

ENGAGING PROACTIVELY WITH ALL STAKEHOLDERS

Maintaining and nurturing our relationships with all our stakeholders is integral to our long-term value creation strategy. We seek strategic inputs/ insights from key stakeholders to improve our operations.



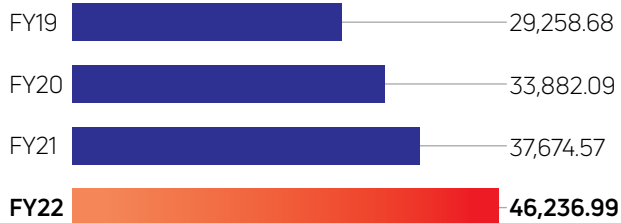
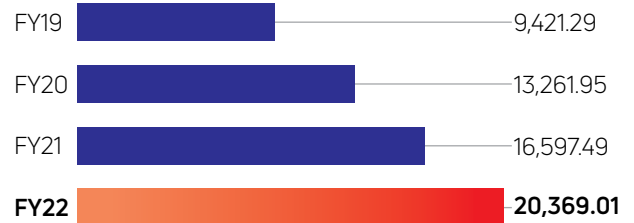
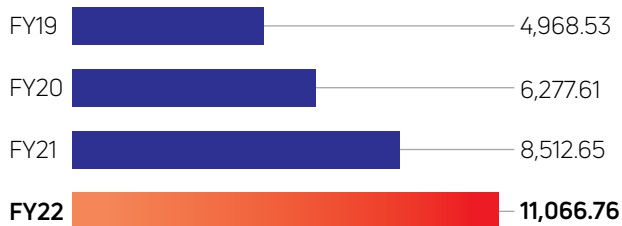
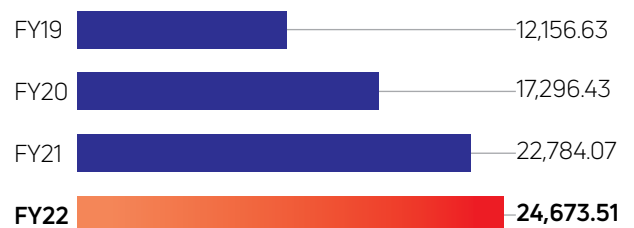
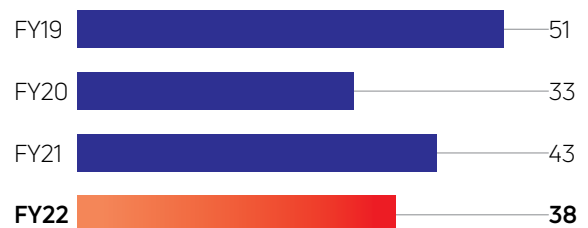
Stakeholders	Key concerns	Mode of engagement
 Employees	<ul style="list-style-type: none"> Fair wages and compensation Skill and career development opportunities Diversity and inclusion 	<p>Regular engagement is carried out with employees through one-on-one interaction, team meetings, events, workshops and training programmes.</p>
 Customers	<ul style="list-style-type: none"> Quality of service Affordable pricing 	<p>Engagement is carried out on a continuous basis with our customers through One- on-one interactions, mass media, website</p>
 Shareholders and Investors	<ul style="list-style-type: none"> Financial and operational performance Cooperate governance Sustainable business growth 	<p>Engagement with shareholders and investors are carried out as per requirement via Annual general meetings</p> <p>Investor meetings /presentations</p> <p>Annual and quarterly reports, Mass Media, E-Mails, Website.</p>
 Government and regulators	<ul style="list-style-type: none"> Follow government rules, regulations and policies Delivering timely reporting 	<p>Regular engagement is carried out with government and regulators through audits and inspection, Annual/Quarterly Reports etc.</p>
 Communities	<ul style="list-style-type: none"> Community and skill development Education Healthcare and sanitation 	<p>Engagement is carried out with communities during</p> <p>CSR activities, volunteering activities with various NGOs.</p>



FINANCIAL CAPITAL

Our objective is to provide optimum returns to the providers of our financial capital. We strive to maximise our returns from business operations by providing best-in-class diagnostics services to our customers and continuously update our business process.



Revenue _____ (Rs lakhs)**EBDITA** _____ (Rs lakhs)**PAT** _____ (Rs lakhs)**EBIDTA Margin** _____ (%)**PAT Margin** _____ (%)**Cash & cash equivalents** _____ (Rs lakhs)**RoE** _____ (%)**RoCE Pre Cash** _____ (%)



MANUFACTURED CAPITAL

We constantly seek opportunities to improve, upgrade and extend our existing infrastructure. Our focus is on improving our operational efficiency to deliver best-in-class services. Our diagnostic centres are equipped with state-of-the-art equipment.

95

State-of -the-art diagnostic centres

17

CT Machines

5

PET CT/Gamma Machines

15

State-of -the-art diagnostic centres (newly opened)

20

MRI Machines

9.32 MN

Tests

3.62 MN

Footfalls

Our services

Our wide range of laboratory services

- Clinical Biochemistry
- Haematology & Immuno-Haematology
- Clinical Pathology
- Histopathology & Cytopathology
- Microbiology
- Serology
- Cytogenetics
- Molecular pathology



Our wide range of radiology & imaging services

- Magnetic Resonance Imaging (MRI)
- Multi slice CT
- CBCT (3D Dental)
- Mammography
- DEXA/ Bone Densitometry
- Ultrasound/Colour Doppler
- Nuclear Medicine & PET/CT
- Digital X-ray



MANUFACTURED CAPITAL

Integrated Diagnostics Provider

We provide both pathology and radiology under one roof and use latest equipment to deliver better diagnostic facilities to all our customers. We have built a strong operational model, which helps us to meet end-to-end service needs of customers. In India, we prioritise offering consumers high-quality, clean, and trustworthy diagnostic services at competitive pricing.

2000 +
Pathology tests

550+
Radiology tests

Our Network

In India, we provide holistic diagnostic services of the highest standard. We have flagship centre, hub centres and diagnostic centres as well as reference laboratory with national reference laboratory. In our 'hub-and-spoke' strategy, samples are gathered from various sites throughout a region and shipped to our reference laboratories for diagnostic testing.

Customers that require specific pathology or radiology testing visit our diagnostic centres. On special request, our staff at diagnostic facilities gather the samples needed for pathology or radiological tests. Through our logistic network the specimens collected are delivered to reference laboratories to process the type of test requested. To reduce the turnaround time our specialised staff submit the results on Laboratory Information Management System (LIMS). Our centralised testing and procurement help reduce procurement cost and by using our information technology system we enhance the overall efficiency of our diagnostic services.

Diagnostic centres

1

Flagship centre

23

Hub centres

71

Diagnostic centres/spokes

Laboratory (co-located with our diagnostic centres)

1

National Reference laboratory

11

Reference Laboratories



Our Logistics and Procedures

To maintain the quality of the specimens we collect, we believe an effective logistical network is essential. For centralised diagnostic testing, we have implemented a 'hub and spoke' approach wherein samples are collected from various centres and places within a catchment area or region. Specimens are gathered in our diagnostic facilities, as well as at other labs, hospitals, corporate locations, and residences.

Once the specimens are collected and transported to reference laboratory through our logistics network consisting of in-house logistics team, third-part logistics team and air-freights couriers for longer distance transport. We transport the specimens under proper temperature-controlled conditions to reference laboratories.

Our sample receipt system

Our LIMS generated unique identification numbers and barcode for each specimen, which helps to manage the entire process from collection until test report. Our staff flows specimens' acceptance and rejection criteria laid down by our quality management department to ensure poor quality specimens is rejected, if the specimens meet the acceptance criteria it is sent to relevant department.

Our testing procedures

The majority of our pathology tests are performed using an entirely automated system. The specimens are placed in the testing equipment / instruments which is directly linked with LIMS. It takes instructions from LIMS after reading the barcode and automatically uploads the results on LIMS. The authorised department closely monitors the results and re-check the results if required.





HUMAN CAPITAL

Our people are our biggest assets. Our ability to explore new areas of healthcare services is made possible by their unwavering dedication and expertise. We regularly undertake skill development initiatives to align employees' skillset with evolving organisational requirements. We also ensure a work culture that promotes safety, health, diversity, competency enhancement and overall wellbeing of our teams.

2300+*

Employees across our
network

*Includes Trainees

200+

Radiologists, laboratory
doctors and physicians



Safety and quality

We are committed to have safe and healthy work environment for all our employees. We follow NABH and NABL safety guidelines that are focused on safety and quality of delivery of services across our organisation. We have also implemented quality management system across organisation to ensure quality services are given to our patients. We ensure that the environment and process of our organisation us safe for everyone.

Rewarding Talent

In order to drive the performance of our employees, retain key employees, attract and reward the best talent we have formulated ESOP plan. We recognise and reward employees across all departments including technical and non technical staff.

Training and development

We offer training to our staff on various aspects and such training goes beyond the development of the required skills. This encompasses training on knowledge, skills and attitude. This approach ensures the deployment of competent staff to deliver quality service to our customers that earns the trust of not just our customers but the entire ecosystem of healthcare providers at large.

The training of employees is based on a three-phase training program. At the initial level, we provide training on knowledge and skills for new joiners, while the experienced staff are trained on the protocols followed within our operational sites to ensure standards of our Company are maintained. The second level was designed for continuous education that is done departmental wise to ensure there is a retention and recall of the learning while refreshing the employees with

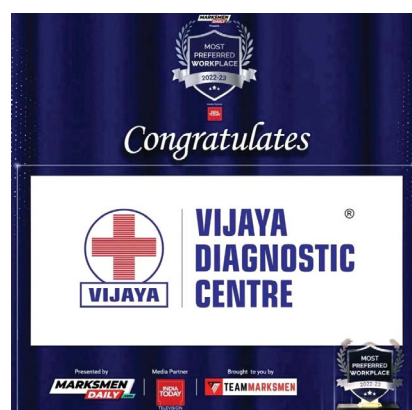
the latest updated practices. We also involve manufacturers of the radiology and laboratory equipment and instruments during the training to ensure the comprehensiveness of the training. The third level involves the cross departmental training and upskilling of the existing staff to prepare them for greater responsibilities. Managerial and leadership trainings are also conducted to boost the development of the managerial competencies while building a leadership pipeline for our Company.

Rewards and Recognition

We believe in continuously motivating and encouraging our employees. To recognise and appreciate exceptional contributions of our employees we have developed a rewards and recognition mechanism. This practice helps us to improve our work environment and develop a long-term relationship with our employees.

Our Awards

Most Preferred Workplace



Thank You Award

To recognize an employee who made significant contribution in enhancing customer/stake holder experience by going beyond call of duty.



Star Monthly Award

To recognize an individual for exemplary performance for the given month

Go - WOW Award

To recognize an individual for living the grooming standards along with good attitude and truly living VDC Values during the given month.

GEM Quarterly Award

To recognize an individual for enhancing brand image by living our values through his personal, behavioural traits and work performance for the quarter.

Great People Manager Award

To recognize a manager for demonstrating exemplary managerial skills.



INTELLECTUAL CAPITAL

With our extensive industry experience and professional knowledge, we aim to implement advanced solutions that constantly raise the bar for patient care, while fostering a favourable environment for sustainable business growth.

Certifications

11

NABL accreditation

5

NABH accreditations



Quality assurance

We understand how important it is to provide the highest quality service, thus we uphold strict standards of services. Within our operational network, we have processes in place to focus, track, and maintain quality systems.

Laboratory quality assurance

Our quality assurance system offers a process-oriented approach to assure quality testing through the use of standard operating procedures, maintenance of documents and records, application of quality control, external quality evaluation (including proficiency testing), and rigorous internal audits. Our quality assurance system covers the entire value chain of our laboratory operations.

Our entire ecosystem of diagnostic centres and reference laboratories are based on the guidelines of the NABL. We have adopted standard operating procedures for our diagnostic centres to improve the entire operational from collection of samples till report delivery. Along with enhancing our quality and standards, we place a strong emphasis on the professional and technical staff's training and ability. The laboratory participates in extensive proficiency testing programs such as Bio-Rad (USA), RIQAS (UK), EUROIMMUN (UK), CMC Vellore, Shankar Netralaya, Anand Labs (Neuberg), CDC Atlanta, RML, TMH, PGIMER, NARI, AIIMS and ISHTM Hematology.

ISO 9001:2015

(for quality management system in medical laboratories).

Radiology Quality Assurance

Our method of radiological quality control is intended to boost patient trust in radiation safety, maintain the highest level of diagnostic picture quality, and guarantee the reliable delivery of rapid and correct diagnoses. Our radiology quality assurance system essentially consists of a structured set of activities and processes that guarantee equipment is operating properly and delivering satisfactory diagnostic information in a timely manner with the least amount of radiation

exposure to customers and staff, as well as administrative procedures to ensure uniform application of advised techniques across the network centres.

We have formed an in-house radiation quality assurance committee, which includes a team of professionals responsible for managing our radiological quality assurance programme, developing image quality criteria, and performing frequent reviews of the program's efficacy.

Information Technology

Our operations are supported by our information technology systems. For exceptionally high uptime, all of our branches have dual internet connections that are securely connected to the data centre via VPN. For effective and uninterrupted service delivery, our network and servers are proactively monitored.

Our technology architecture

Laboratory Information Management System

Customer lifecycle, right from registration to report delivery, is managed by the LIMS application. To guarantee accurate reporting, the application enables end-to-end barcoding of samples. The application also provides omni channel report distribution at diagnostic centres, by SMS, email, and web.

Radiology Information System

The workflow of radiology testing services is managed by RIS/PACS applications. The RIS/PACS application is tightly integrated with registration and despatch systems. The centralised PACS is enabled with latest DICOM viewer with high end functionalities such as MIP, MPR and 3D. Modality work list interface ensures bi-directional integration between RIS and imaging modalities

Privacy and Security of User Data

An essential and significant component of our information management is the protection of customer data privacy and security. The demographic and medical information about customers that is gathered throughout the registration and testing procedure is kept on highly secure servers in our on-site data centre. Only secure web portals with password and OTP protection provide access to client data and reports. Such data and reports are only accessible to authorised workers.

Back-end applications

SAP is deployed to support our back-end functions including finance, banking, procurement and inventory management. SAP is integrated with LIMS for seamless flow of revenue data.



SOCIAL AND RELATIONSHIP CAPITAL

Our corporate philosophy includes giving back to society, and we make an effort to help improve social infrastructure. We aim to effectively engage with our stakeholder across verticals to build a sustainable relation and make a positive change in society.



Supplier

At Vijaya Diagnostics, our supplier relationship management strategy is based on the notion of generating synergistic business goals that drive our partners to strive for excellence while furthering their growth stories. We collaborate with suppliers to help innovate our services and encourage mutual growth and long-term success. Our value-chain partners are the foundation of our business. The fundamental pillars of our connection with our partners are trust, inclusive growth, quality excellence, and social responsibility. Our primary suppliers include a wide range of leading-international equipment, instrument, reagent, and film manufacturers.

Shareholders

We are dedicated to delivering consistent company performance, high free cash flows, and developing a solid balance sheet in order to satisfy shareholder expectations. The investors are still confident in our market dominance which reflects our brand equity supported by operational competence.

Government and regulatory authorities

Our management and leadership team fosters regular dialogue with government and regulatory authorities for effective advocacy towards shaping future policies for industry growth. As a responsible corporate citizen, we ensure adherence to transparency, accounting, governance and compliance to multiple laws and regulations in all the markets we operate.

Our CSR initiatives

We have always believed in attempting to improve and elevate society. For the benefit of those who are underserved, we work hard to create value. The Board's CSR committee oversees our CSR programmes, which are carried out in collaboration with NGOs and other organisations to offer our various skill development programmes in healthcare industry.

Our focus area



Skill development training



Education (including special education)



Skill development training



Healthcare

₹1,75,50,128

CSR spend

BOARD OF DIRECTORS



Dr. Sura Surendranath Reddy
Executive Chairman



Mrs. Sura Geeta Reddy
Non-Executive Director



Mr. Sunil Chandra Kondapally
Executive Director



Dr. Duvvur Nageshwar Reddy
Non-Executive, Independent Director



Mr. Shekhar Prasad Singh
Non-Executive, Independent Director



Mr. Satyanarayana Murthy Chavali
Non-Executive, Independent Director



Dr. Manjula Anagani
Non-Executive, Independent Director

C Chairperson
M Member

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

CORPORATE INFORMATION

CIN: L85195TG2002PLC039075

DETAILS OF BOARD OF DIRECTORS

Dr. Sura Surendranath Reddy
Executive Chairman

Mr. Sunil Chandra Kondapally
Executive Director

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

Mr. Chavali Satyanarayana Murthy
Non-Executive Independent Director

Mr. Shekhar Prasad Singh
Non-Executive Independent Director

Dr. Duvvur Nageshwar Reddy
Non-Executive Independent Director

Dr. Manjula Anagani
Non-Executive Independent Director

KEY MANAGERIAL PERSONNEL

Ms. Sura Suprita Reddy
Chief Executive Officer

Mr. Narasimha Raju KA
Chief Financial Officer

Ms. Anusha Kanumuru
Company Secretary & Compliance
Officer

STATUTORY AUDITORS

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

REGISTERED OFFICE ADDRESS

3-6-16 & 17, Street No.19,
Himayatnagar, Hyderabad 500029,
Telangana, India.
Tel. Ph. No. 040-2342 0422 /23/ 24/ 25/
26/ 27
Email – ir@vijayadiagnostic.in
Website – www.vijayadiagnostic.com

CORPORATE OFFICE ADDRESS

No.6-3-883/F, FPA Building,
Near Rajiv Gandhi Statue Lane,
Adjacent to Topaz building, Punjagutta,
Hyderabad 500082, Telangana, India.

REGISTRAR AND SHARE TRANSFER AGENT

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

NOTICE

NOTICE is hereby given that the Twentieth (20th) Annual General Meeting ("AGM") of the Members of **Vijaya Diagnostic Centre Limited** (formerly known as Vijaya Diagnostic Centre Pvt Ltd) will be held on Wednesday, the 28th Day of September, 2022 at 03:00 p.m (IST) through Video Conferencing/Other Audio visual Means ("VC/OAVM") facility, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with reports of the Board of Directors and the Auditors thereon.
 - b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 along with schedules or notes made there under and report of the Auditors thereon.
2. To declare Final Dividend of ₹ 1/- (100%) per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Sunil Kondapally Chandra (DIN: 01409332), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Ratification of remuneration payable to Cost Auditor who was appointed in casual vacancy, for the Financial Year 2021-22.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the remuneration of ₹ 30,000/- (Rupees Thirty thousand only) plus applicable GST & reimbursement of out of pocket expenses, if any, payable to Mr. TSSV Santhosh Kumar, Cost and Management Accountant, (Registration No. 47941) who was appointed by the Board of Directors as Cost Auditor of the Company for the Financial Year 2021-22 filling the casual vacancy caused by the demise of existing cost auditor Mr. N.V.S. Kapardhi, Cost & Management Accountant, be and is hereby ratified."

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

5. **Ratification of remuneration payable to Cost Auditor for the Financial Year 2022-23.**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the remuneration of ₹ 30,000/- (Rupees Thirty thousand only) plus applicable GST & reimbursement of out of pocket expenses, if any, payable to Mr. TSSV Santhosh Kumar, Cost and Management Accountant, (Registration No. 47941) Who has been appointed by the Board of Directors as Cost Auditors of the Company for the Financial Year 2022-23, be and is hereby ratified."

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

6. **Extension of loan to Medinova Diagnostic Services Limited, Subsidiary Company.**

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

"RESOLVED THAT pursuant to Section 185, 186 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder including any statutory amendments or re-enactments thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance/give any loan(s) in one or more tranches from time to time, including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by Medinova Diagnostic Services Limited, Subsidiary Company, in which directors of the Company are deemed to be interested upto an outstanding amount not exceeding ₹ 20 cr (Rupees Twenty Crores Only) at any point of time as deemed beneficial and in the interest of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental

for the purpose of giving effect to this resolution in the interest of the Company.”

By order of the Board
For Vijaya Diagnostic Centre Limited
(formerly known as Vijaya Diagnostic Centre Pvt. Ltd)

Anusha Kanumuru

Company Secretary

M.No:A31288

Place: Hyderabad

Date: May 26, 2022

NOTES:

1. Explanatory Statement(s) setting out the material facts pursuant to Section 102(1) of the Companies Act 2013 (“Act”) in respect of special business as set forth in the accompanying AGM Notice is annexed hereto and forms part of the Notice.
2. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”), vide its General Circular Nos.14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 21/2021 and 02/2022 dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 23rd June, 2021, 8th December, 2021, 14th December, 2021 and 5th May, 2022 respectively (“MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) vide circulars, had permitted convening of Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. Accordingly, 20th AGM of the Company is being held through VC / OAVM facility in compliance with the aforesaid circulars.
3. Pursuant to provisions of the Companies Act, 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 facility, the requirement of physical attendance of members has been dispensed with. Accordingly, in terms of the MCA circulars and the SEBI circular, the facility for appointment of proxies by the members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice.
4. The facility of VC/OAVM, casting votes by a member using remote e-Voting system as well as venue e-voting on the date of the AGM is being provided by e-voting service provider, Kfin Technologies Ltd (“Kfin”).
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before scheduled time of the meeting and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members (members’ logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. Institutional/Corporate Shareholders are required to send a scanned copy of their Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-Voting/remote e-Voting. The said Resolution/ Authorization shall be sent to Scrutinizer by email at balaramdesina@gmail.com and to Kfin at evoting@kfintech.com with a copy marked to cs@vijayadiagnostic.in.
9. All documents referred to in the accompanying Notice shall be available for inspection electronically. Members seeking to inspect such documents can send an email to cs@vijayadiagnostic.in
10. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013, will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to cs@vijayadiagnostic.in
11. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants.
12. The final dividend as recommended by the Board, if approved at the ensuing AGM, will be paid to those members whose names appear on the list of beneficial ownership as furnished by the Depositories on the Record Date i.e. September 21, 2022. Members are requested to update their bank account details with their respective Depository Participants for receipt of dividend payment by the Company.

Pursuant to the Finance Act 2020, dividend income is taxable in the hands of the Members w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15H, to avail the benefit of non-deduction of tax at source by email to einward.ris@kfintech.com by 5 p.m. IST till September 21, 2022. Where any entity/person is entitled for exemption from TDS, TDS will not be deducted/deducted at lower rates provided such shareholder/entity provides valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. issued by the Indian tax authorities) by email to einward.ris@kfintech.com by 5 p.m. IST till September 21, 2022. Any documents / communication on the tax determination / deduction received after September 21, 2022 shall not be considered.

Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

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

13. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website viz. <http://www.vijayadiagnostic.com>, and on the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE at www.nseindia.com. The AGM Notice is also available on the website of Kfin at <https://evoting.kfintech.com>
14. As per the provisions of the Act and SEBI Circulars, the facility for making nomination is available for the members in respect of the shares held by them. All the shares of the Company are held in dematerialized form. Pursuant to the aforesaid SEBI circulars, all the existing trading and demat account holders shall update their choice of nomination on or before March 31, 2023, failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits.
15. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s).
16. The relevant details of the Director seeking reappointment at this AGM under item no. 3 of the accompanying Notice as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India ('Secretarial Standard') are annexed hereto and forms part of the Notice.
17. For Members who have not registered their email address, the Annual Report, Notice of AGM and e-voting instructions cannot be serviced. In such case, member may send an e-mail request at the mail id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self attested PAN copy and Client Master copy in case of electronic folio for sending the Annual report, Notice of AGM and the e-voting instructions along with User id and password, as applicable.

PROCEDURE FOR E-VOTING:

- a) Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility to its members holding shares as on Cut off date i.e., September 21, 2022 to exercise their right to vote by way of electronic means on all the resolutions as set forth in the accompanying AGM Notice through e-Voting service provider Kfin Technologies Ltd ("Kfin").
- b) The remote e-Voting period commences on September 25, 2022 (9.00 a.m.) and ends on September 27, 2022 (5:00 p.m.). The e-voting module shall be disabled by Kfin for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- c) Members may cast their vote during the above referred remote e-voting period. Further the facility to e-vote at the AGM will be provided to the Members who have not cast their vote during remote e-voting period.
- d) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. September 21, 2022
- e) A member may participate in the AGM even after exercising his right to vote through remote e-voting prior to the AGM but shall not be allowed to vote again at the AGM.
- f) Any person holding shares in physical form and Non Individual shareholders, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of cut-off date, may obtain the login id and password by sending a request to evoting@kfintech.com. However, if he/she is already registered for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

- g) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- h) The Board of Directors has appointed Mr. D Balarama Krishna, Practicing Company Secretary (FCS: 8168, CP No. 22414) as the Scrutinizer to scrutinize the remote e-voting and voting during the AGM in a fair and transparent manner.
- i) The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/ have been carried or not, to the Chairman or any other person authorized by him in writing.
- j) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.vijayadiagnostic.com and on the website of Kfin <https://evoting.kfintech.com> immediately after the result is declared. The Company shall simultaneously forward the results to NSE and BSE where the securities of the Company are listed.
- k) Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. September 28, 2022.

PROCEDURE FOR E-VOTING AND JOINING E-AGM

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

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

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

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

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

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

Type of shareholders	Login Method
	<p>2. User not registered for IDeAS e-Services may follow the following procedure:</p> <ol style="list-style-type: none"> To register click on link: https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed to complete registration using your DP ID, Client ID, Mobile Number etc. After successful registration, please follow steps given under point 1 above, to cast your vote. <p>3. Alternatively the users may directly access the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ 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. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e. KFintech. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi /Easiest may follow the following procedure:</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of e-voting service provider i.e. KFintech e-Voting portal. You will see Company Name: "Vijaya Diagnostic Centre Limited" on the next screen. Click on the e-Voting link available against Vijaya Diagnostic Centre Ltd. or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest may follow the following procedure:</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed to complete registration using your DP ID-Client ID (BO ID), etc. After successful registration, please follow steps given under point 1 above to cast your vote

Type of shareholders	Login Method
	3. Alternatively, by directly accessing the e-Voting website of CDSL <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your Demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Vijaya Diagnostic Centre Ltd. or select e-Voting service provider "KFintech" and you will be re-directed to the e-Voting page of KFintech to cast your vote without any further authentication.
Individual Shareholders (holding shares in demat mode) login through their demat accounts/ Website of Depository Participant	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. Once logged-in, 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 options available against Vijaya Diagnostic Centre Ltd. or e-Voting service provider – KFintech and you will be redirected to e-Voting page of KFintech to cast your vote during the remote e-Voting period without any further authentication.

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

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

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

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

A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote. If required, please visit <https://evoting.kfintech.com> or contact toll-free numbers 1800309 4001 (from 9:00 a.m. to 6:00 p.m. on all working days) for assistance on your existing password
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e. 'Vijaya Diagnostic Centre Ltd. – AGM' and click on "Submit".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.

- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorising its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at email id balaramdesina@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVEN No."

B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- ii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

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

- i. Members will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/ KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company or the company name and click on the video symbol and accept the

meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

- ii. Facility for joining AGM through VC / OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/send their queries in advance mentioning their name, demat account number/ folio number, email id, mobile number at cs@vijayadiagnostic.in. Questions /queries received by the Company till September 25, 2022 shall only be considered and responded during the AGM.

Instructions for e-voting during AGM:

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

OTHER INSTRUCTIONS

- i. **Speaker Registration:** The Members who wish to speak during the AGM may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' for registration which will be opened from Friday, September 23, 2022, 9:00 a.m. IST to Sunday, September 25, 2022,

5:00 p.m. IST. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM..

- ii. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the email received from KFintech. On successful login, select 'Post Your Question' option which will be opened from September 23, 2022 to September 25, 2022.
- iii. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mr. Raghunath Veedha on (040) 6716 1606 or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- i. The Members whose names appear in the Register of Members/list of Beneficial Owners as on September 21, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- ii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
MYEPWD <SPACE> XXXXIN12345612345678
 2. Example for CDSL:
MYEPWD <SPACE> XXXX1402345612345678
 3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - b) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c) Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309- 4001 or write to them at evoting@kfintech.com.

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 4 & 5

As per the provisions of Section 148 of the Act and relevant Rules made thereunder, Company is required to get the cost accounting records audited by a Cost & Management Accountant. Accordingly the Board of Directors at their meeting held on May 26, 2021 had appointed Mr. N. V.S. Kapardhi, Cost and Management Accountant, (Registration No. 9488) as Cost Auditor for the financial year 2021-22, to audit the Cost statements of the Company. Further the demise of Cost auditor Mr. N.V.S. Kapardhi has caused casual vacancy in the office of Cost Auditor during the year under review. To fill such vacancy, the Board has appointed Mr. TSSV Santhosh Kumar, Sole Proprietor of M/s. Santhosh & Associates as Cost Auditor of the Company for the Financial Year 2021-22 (FY), to carry out the cost audit and issue cost audit report for the said financial year at remuneration of ₹ 30,000/-.

Further the Board at its meeting held on May 26, 2022 had re-appointed Mr. TSSV Santhosh Kumar, as Cost Auditor of the Company for the Financial Year 2022-23 at remuneration of ₹ 30,000/-.

Pursuant to Rule 14 of the Companies (Audit and Accounts) rules, 2014, the members of the Company have to ratify the remuneration payable to Cost Auditor, as approved by the Board of Directors. Accordingly the member's approval, to ratify the remuneration as approved or fixed by the Board for FY 21-22 and 22-23, is sought at item no. 4 and 5 of the accompanying notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, in the Resolutions set out at item no. 4 and 5.

The Board recommends the Ordinary Resolutions as set out at item no. 4 and 5 of the Notice for approval of the Members.

ITEM NO. 6

The Shareholders of the Company at the Extra Ordinary General meeting held on March 24, 2021 had approved to advance/ give any loan(s) in one or more tranches including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a Subsidiaries/ Joint Ventures /Associates in which any Director(s) of the Company are interested directly or indirectly upto an aggregate sum of ₹ 10 Crores (Rupees Ten Crores Only) , for its business activities. As on March 31, 2022, outstanding loan given to Medinova Diagnostic Services Ltd, Subsidiary

Company is ₹ 5.75 cr. Further, the Board of Directors at their meeting held on May 26, 2022, had considered and approved to extend the aforesaid limit from ₹ 10 cr to ₹ 20 cr, in view of the proposed expansion plans of business operations of Medinova.

As per provisions of Section 185 of Companies Act, 2013, your Company can provide loan to Subsidiary Company, in which directors are deemed to be interested, by passing a special resolution at the general meeting of the Company. Accordingly, approval of members is being sought for enhancement of said limit upto an outstanding amount not exceeding ₹ 20 cr at any point of time to Medinova.

Pursuant to provisions of proviso to Clause (a) sub section (2) of Section 185 of Companies Act, 2013, the following details are being provided;

Loan to be granted : Upto an outstanding amount not exceeding ₹ 20 cr at any point of time, from time to time, in one or more tranches.

Purpose for which loan will be utilized by recipient of loan: For its business purpose.

The Board of Directors of the Company recommends the said Special Resolution for approval of Members.

Mr. Sunil Chandra Kondapally, Executive Director of the Company is Managing Director of Medinova, Dr. Sura Surendranth Reddy, Executive Director of the Company is Non-Executive Chairman of Medinova and Mrs. Vishnu Priya Reddy Birudavolu relative of Mr. Sunil Chandra Kondapally is Non Executive Director in Medinova. Further Mr. Sunil Chandra Kondapally, Dr. Sura Surendranath Reddy, Mrs. Sura Geeta Reddy, Mrs. Vishnu Priya Reddy Birudavolu and Ms. Sura Suprita Reddy have indirect shareholding interest in Medinova being shareholders of the Company. Ms. Anusha K, CS and KMP of the Company is also acting as CS of Medinova.

Except as stated above none of the Directors or Key Managerial Personnel or their relatives of the Company are interested or concerned in the Resolution except to the extent of their shareholding, if any.

By order of the Board
For Vijaya Diagnostic Centre Limited
(formerly known as Vijaya Diagnostic Centre Pvt. Ltd)

Anusha Kanumuru
Company Secretary
M.No. A31288

Place: Hyderabad
Date: May 26, 2022

ANNEXURE TO NOTICE

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

Name of Director	Mr. Sunil Kondapally Chandra
Director Identification Number	01409332
Age	47 years
Date of first Appointment	05.06.2002
Qualification	He holds a bachelor's degree in science and electrical engineering from Florida State University
Category	Executive Director
Terms & Conditions of Re-Appointment along with Remuneration sought to be paid	Being reappointed as a Director liable to retire by rotation and all other terms of his appointment including remuneration as Executive Director shall remain same.
Remuneration paid for FY 2021-22	₹ 93,33,330/- p.a.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company.	Mr. Sunil Chandra Kondapally is son of Dr. Sura Surendranath Reddy, and Mrs. Sura Geeta Reddy, brother of Ms. Sura Suprita Reddy
Brief Resume and expertise in specific functional area	He has been associated with our Company since incorporation. He has extensive experience in diagnostic and pharmaceutical industry for about 20 plus years. He has rich expertise in operations, quality accreditation, finance, marketing and network expansion departments of our Company since its incorporation
Directorships held in other Companies including other listed entities as on March 31, 2022	1. Medinova Diagnostic Services Limited 2. Trikona Pharmaceuticals Private Limited 3. Summit Nutraceuticals Private Limited 4. Kshetra Agritech Private Limited
Chairman / Member of the Committee of the Board of Directors of the Company	Stakeholders Relationship Committee - Member Corporate Social Responsibility Committee - Member
No. of Board Meetings attended during the year	9
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2022	Nil
Directorships of other Listed Entities from which he resigned in the past three years	Nil
No. of Equity Shares of ₹1/- held in the Company as on 31.03.2022	91,06,933

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Company's Twentieth (20th) Annual Report together with the audited financial statements for the financial year ended March 31, 2022.

FINANCIAL SUMMARY

The financial performance of the Company for the year ended March 31, 2022, is summarized below:

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
INCOME				
Revenue from Operations	45,087.93	36,731.59	46,236.99	37,674.57
Earnings Before Depreciation, Interest, Tax and Exceptional Items	19,985.58	16,329.69	20,369.01	16,597.49
Finance Cost	1,625.56	1,481.23	1,645.03	1,524.60
Depreciation	5,213.65	4,972.96	5,268.61	5,045.14
Profit before Tax	14,438.08	10,958.62	14,738.43	11,212.39
Provision for Tax	3,627.61	2,676.47	3,671.67	2,699.74
Profit after Tax	10,810.47	8,282.15	11,066.76	8,512.65
Other Comprehensive Income	19.10	3.49	20.66	(1.33)
Total Comprehensive Income for the Period	10,829.57	8,285.64	11,087.42	8,511.32
Basic EPS	10.60	8.12	10.76	8.28
Diluted EPS	10.54	8.12	10.69	8.28

FINANCIAL PERFORMANCE

The Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) and the provisions of Companies Act, 2013.

Standalone Performance

During the year under review, your Company generated revenue of ₹ 45,087.93 Lakhs as compared to ₹ 36,731.59 Lakhs in the previous year registering a growth of 23%. EBITDA for the year increased by 22% to ₹ 19,985.58 lakhs against ₹ 16,329.69 lakhs in the previous year. The Profit before Tax for the year is at ₹ 14,438.08 lakhs as against ₹ 10,958.62 in the previous year. The Net Profit after tax is ₹ 10,810.47 Lakhs as against ₹ 8,282.15 Lakhs in the previous year. The diluted earnings per share stood at ₹ 10.54 compared to ₹ 8.12 in previous year.

Consolidated Performance

During the year under review, your Company generated consolidated revenue of ₹ 46,236.99 Lakhs as compared to ₹ 37,674.57 Lakhs in the previous year registering a growth of 23%. EBITDA for the year increased by 23% to ₹ 20,369.01 lakhs against ₹ 16,597.49 lakhs in the previous year. The Profit before Tax for the year is at ₹ 14,738.43 lakhs as against ₹ 11,212.39 in the previous year. The Net Profit after tax is ₹ 11,066.76 Lakhs

as against ₹ 8,512.65 Lakhs in the previous year. The diluted earnings per share stood at ₹ 10.69 compared to ₹ 8.28 in previous year.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for Financial year 2021-22 are prepared in accordance with the applicable provisions of Companies Act 2013 ("Companies Act"), Indian Accounting Standards ("Ind-AS") and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations"). The consolidated financial statements have been prepared based on audited financial statements of the Company and its subsidiaries as approved by their respective Board of Directors.

DIVIDEND

Your Directors are pleased to recommend dividend @ 100% i.e., ₹ 1/- per equity share of face value of ₹ 1/- each as Final Dividend for the Financial Year 2021-22, for approval by the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. The Board has approved the

Dividend Distribution Policy and the said Policy is available on the website of the Company at <https://www.vijayadiagnostic.com/userui/corporategovernance/DIVIDEND-DISTRIBUTION-POLICY.pdf>

TRANSFER TO GENERAL RESERVES

During the year under review, no amount has been transferred to the General Reserves of the Company.

SUBSIDIARY COMPANIES

Your Company has the following 5 subsidiaries (including step down subsidiaries) as on March 31, 2022.

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

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

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

During the year under review, Medinova Diagnostic Services Limited, Subsidiary Company had acquired 44.93% of partnership interest in Medinova Millennium MRI Services LLP

Your Company does not have any Associate Company or Joint Venture as on March 31, 2022. None of the Companies have become or ceased to be a subsidiary, associate and joint ventures during the year under review.

The Company has placed separately, the audited accounts of its subsidiaries on its website www.vijayadiagnostic.com, in compliance with the provisions of Section 136 of the Companies Act. Audited financial statements of the Company's subsidiaries will be provided to the Members, on request.

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

CHANGES IN SHARE CAPITAL OF THE COMPANY

On May 27, 2021, the Board of Directors of the Company had allotted 5,66,47,736 bonus equity shares of face value ₹ 1 each to the shareholders in the ratio of 5 (Five) fully paid bonus Equity Shares for every 4 (Four) existing Equity Shares, in accordance with the provisions of Companies Act and other applicable provisions, if any.

As a result, paid up share capital of the Company has been increased from ₹ 4,53,18,190/- to ₹ 10,19,65,926/-.

The Authorised Share Capital of the Company as on March 31, 2022 was ₹ 12,05,00,000/- divided into 12,05,00,000 equity shares of ₹ 1/- each.

During the year under review, the Company has neither issued any shares with differential voting rights, nor has bought back any of its shares. It has also not issued any sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

As on March 31, 2022, Board consists of two (2) Executive Directors, one (1) Non Executive Non Independent Director and four (4) Independent Directors. The constitution of the Board of the Company is in accordance with Section 149 of the Companies Act and Regulation 17 of the Listing Regulations.

During the year under review, Mr. Chavali Satyanarayana Murthy, Mr. Shekhar Prasad Singh, Dr. Duvvur Nageshwar Reddy and Mr. P. S. Narasimha, were appointed as Additional cum Independent Directors of the Company on May 26, 2021 and the Shareholders of the Company at Extra Ordinary General Meeting held on May 26, 2021 had approved the appointment of aforesaid persons as Independent Directors.

Mr. P. S. Narasimha who was elevated as judge of the Supreme Court of India had submitted his resignation as Independent Director of the Company effective from August 21, 2021 in order to adhere to the ethics expected by him as a judge of the Supreme Court of India. Further, Dr Manjula Anagani, was appointed as Additional cum Independent Director on August 22, 2021 and the Shareholders of the Company at Extra Ordinary General meeting held on August 23, 2021 had approved her appointment as Independent Director.

During the year under review, Nominee Directors of the Company, Mr. Aditya Viz and Mr. Nishanth Sharma had submitted their resignations effective from May 26, 2021 and March 7, 2022 respectively

Except as stated above, there have been no other changes in the composition of the Board during the year under review.

In the opinion of the Board, all the Independent Directors of the Company possesses requisite expertise, integrity and experience including proficiency.

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sunil Chandra Kondapally, will retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for reappointment. Brief profile of Mr. Sunil Chandra Kondapally and other related information is detailed in the Notice convening the 20th AGM

of your Company. The Board recommends the same to the shareholders for their approval at the forthcoming AGM.

On the basis of the written representations received from the directors, none of the above directors are disqualified under Section 164 (2) of the Companies Act, and are also not debarred by SEBI or any other Statutory authority for holding office of a Director. As required by Listing Regulations, a certificate from Company Secretary in practice, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company, by SEBI, MCA or any such statutory authorities, is annexed to Corporate Governance report.

Further all the Independent Directors have confirmed that their respective names have been included in the Independent Director's Database as required under Section 150 of the Companies Act.

KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Sandhya Rani Sama had resigned as Chief Financial Officer (CFO) of the Company effective from April 18, 2021 and Mr. Narasimha Raju K A was appointed as CFO of the Company effective from May 1, 2021.

During the year under review, Ms. V Sri Lakshmi had resigned as Company Secretary of the Company effective from November 8, 2021 and Ms. Anusha Kanumuru was appointed as Company Secretary of the Company effective from November 8, 2021

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel of the Company as on March 31, 2022;

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

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to Section 149(6) of the Companies Act and Regulation 16(b) of Listing Regulations, all the Independent Directors had confirmed to the Company that they meet the criteria of independence as laid down in aforesaid provisions. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties. In the opinion of the Board, Independent directors fulfil the conditions as specified in Companies Act and Listing Regulations and are independent from the management.

FAMILIARIZATION PROGRAMME

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

MEETINGS OF BOARD OF DIRECTORS

During the year under review, 10 (Ten) Board Meetings were held, the details of the said meetings are provided in Corporate Governance Report which forms part of this Annual Report. The provisions of Companies Act and the Listing Regulations were adhered to, while considering the time gap between two meetings.

COMMITTEES OF THE BOARD

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

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

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

STATUTORY AUDITORS

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

The Auditor's Report being self-explanatory do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer.

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

COST RECORDS AND COST AUDITORS

The Company is required to maintain the cost records in respect of its business under Section 148 of the Companies Act, read with Companies (Audit & Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014. Accordingly, such accounts and records were made and maintained by the Company for financial year 2021-22.

The Board of Directors had appointed Mr. N.V.S. Kapardhi, Cost & Management Accountant as Cost Auditor of the Company for the Financial year 2021-22, to undertake cost audit of the Company. Further the demise of Cost auditor Mr. N.V.S. Kapardhi has caused casual vacancy in the office of Cost Auditor. The Board had appointed Mr. TSSV Santhosh Kumar, Sole Proprietor of M/s. Santhosh & Associates as Cost Auditor of the Company for the Financial Year 2021-22 (FY) filling the aforesaid casual vacancy, to carry out the cost audit and issue cost audit report for the said financial year.

Mr. TSSV Santhosh Kumar, Cost Auditor has submitted his Cost Audit report for the financial year 2021-22 to Board of Directors and the Board of Directors considered and examined the said report. The Cost Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer.

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of Mr. TSSV Santhosh Kumar, Cost Accountant as the Cost Auditor of the Company for the financial year ending on March 31, 2023 to conduct audit of cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014. The Board on recommendations of the Audit Committee has approved the Remuneration of ₹ 30,000/- plus taxes and out of pocket expenses payable to the Cost Auditor subject to ratification of the same by the Members in the forthcoming AGM.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed Mr. D. Balarama Krishna, Practicing Company Secretary, Hyderabad as Secretarial auditor to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report is annexed herewith as "Annexure-II" to this report. The Secretarial Auditor's Report is self-explanatory and does not contain any qualification, reservation, adverse remark, or disclaimer.

Pursuant to Regulation 24A of Listing Regulations, the Company has also obtained Annual Secretarial Compliance report from a Practicing Company Secretary and submitted the same to the Stock Exchanges where the shares of the Company are listed.

INTERNAL AUDITOR

Your Company has robust internal audit team for carrying out internal audit. Pursuant to the provisions of Section 138 of the Companies Act and the Companies (Accounts) Rules,

2014, Mr B Ravi Sankar, was appointed as an Internal Auditor of the Company and later on M/s. Laxminiwas & co Chartered Accountants, were appointed as an Internal auditors at the Board meeting held on May 5, 2022.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees and investments made under Section 186 of the Companies Act, are provided in the notes to financial statements and forms part of this report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the financial year were in the ordinary course of the business and on arm's length basis. There were no materially significant related party transactions entered by the Company during the financial year. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act in prescribed format Form AOC-2 is not applicable. The details of transactions with related parties are provided in note no 30 of financial statements.

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

CHANGE IN NATURE OF BUSINESS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

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

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

Evaluation of Board's performance was based on criteria such as structure and functioning of the Board, frequency of meetings and effectiveness, discussions, professional development, etc. Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and composition and functioning of Board Committees and effectiveness of its advice/ recommendation to the Board, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, knowledge and competency, commitment, integrity, experience and expertise, ability to function as a whole etc. Further Independent Directors were evaluated on parameters such as skills, expertise and exercise of independent judgment in major decisions of the Company, participation and contribution in Board and Committee meetings etc.

The Individual Directors 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.

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

PUBLIC DEPOSITS

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

RISK MANAGEMENT

Your Company through its Risk management policy periodically assesses the risk elements, mitigates the different kinds of risks which the Company faces in its day-to-day operations and incorporates such risk mitigation plans in its business

operational plans. As on date of this report, your Company does not foresee any critical risk, which threatens its existence.

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

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

ANNUAL RETURN

The Annual Return of the Company in Form MGT7 in accordance with Section 92(3) of the Companies Act, is available on the web site of the Company at <https://www.vijayadiagnostic.com/userui/inv/MGT-7-Annual-Return-2022.pdf>

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

PARTICULARS OF EMPLOYEES

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

The statement containing particulars of employees as required under Section 197(12) of the Companies Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. In terms of the provisions of the first proviso to Section 136 (1) of the Companies Act, the Annual Report is being sent to Shareholders, excluding the aforementioned information. Any shareholder interested in obtaining a copy of such statement may write to the Company Secretary of the Company at cs@vijayadiagnostic.in

CORPORATE GOVERNANCE

A report on Corporate Governance, as stipulated under Schedule V(C) of the Listing Regulations, is presented as a separate section and forms part of this Annual Report. Certificate obtained from Practicing Company Secretary, with regard to compliance of conditions of corporate governance as stipulated under Schedule V(E) of the Listing Regulations is annexed to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report in terms of the provisions of Schedule V of Listing Regulations, is presented as a separate section and forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

A detailed Business Responsibility Report in terms of the provisions of Regulation 34 of Listing Regulations, is presented as a separate section and forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

The Company has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. The Company has constituted Internal Complaints Committee for redressal of complaints on sexual harassment in compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, the Company had received two (2) complaints on sexual harassment and the same has been resolved in accordance with the Company's POSH policy as on date of this report.

NOMINATION AND REMUNERATION POLICY

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

WHISTLE BLOWER / VIGIL MECHANISM

The Company has adopted whistle blower policy as required under Section 177 of the Companies Act and Listing Regulations, for the employees and Directors to report their genuine concerns and irregularities, if any in the Company. A mechanism has been established for employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct and Ethics, as amended from time to time. It also provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Whistle Blower Policy is available on the website of the Company at <https://vijayadiagnostic.com/userui/corporategovernance/WHISTLE-BLOWER-POLICY.pdf>

EMPLOYEE STOCK OPTION PLAN

Initially the ESOP Plan 2018 and Schemes framed thereunder have been approved by shareholders on May 03, 2018 ("Pre IPO ESOP Plan") with an objective to drive the performance of the employees, attract best talent and retain key employees etc.,. On March 25, 2021, the aforesaid ESOP Plan 2018 and Schemes framed thereunder have been amended to ensure that the Pre IPO ESOP Plan is in compliance with the provisions of SEBI (Share Based Employee Benefit) Regulations, 2014 as the company has proposed to undertake the Initial Public offer of shares

Subsequently on August 16, 2021, the aforesaid ESOP Plan 2018 and Schemes framed thereunder have been amended to ensure that the ESOP Plan is in compliance with the provisions of SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 notified on August 13, 2021. ("SEBI ESOP Regulations"). Further Pre-IPO ESOP Plan was ratified by the shareholders vide postal ballot on January 11, 2022 pursuant to Reg 12 of SEBI ESOP Regulation.

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the ESOP Plan of the Company. During the year under review, no ESOPs were granted to any employees of the Company.

The details in respect of ESOPs as required under Companies Act, and ESOP Regulations are annexed herewith as **Annexure VI** and the same are available at the website of the Company <https://vijayadiagnostic.com/userui/inv/Information-as-per-SEBI-SBEB-Regulations-FY22.pdf>.

In compliance with the requirements of the ESOP Regulations, a certificate from Secretarial auditor confirming implementation of ESOP Plan in accordance with the said regulations and shareholder's resolution will be available electronically for inspection by the members during the annual general meeting of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(C) of the Companies Act, with respect to Directors' Responsibility Statement, the Directors, to the best of their knowledge and ability, hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the year ended on that date;
- c) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) The Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY

During the financial year under review, there was no application made and/or no proceeding pending under the insolvency and Bankruptcy code 2016.

ACKNOWLEDGEMENT:

The Directors place on record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the Company at all levels, Government Authorities, Company's Bankers, Associates, Partners, Clients, Vendors, Customers and Members of the Company and look forward for the same in equal measure in the coming years.

BY ORDER OF THE BOARD
For **Vijaya Diagnostic Centre Limited**
(formerly known as *Vijaya Diagnostic Centre Pvt. Limited*)

Place: Hyderabad
Date: May 26, 2022

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

ANNEXURE – I

FORM NO. AOC-1

Statement containing salient features of the financial statements of subsidiaries as on March 31, 2022

(₹ in Lakhs)

Particulars	Subsidiary Company/LLP			Step down Subsidiary Company/LLP	
	Medinova Diagnostic Services Limited	Doctorslab Medical Services Private Limited	VDC Diagnostics (Karnataka) LLP	Namrata Diagnostic Centre Private Limited	Medinova Millennium MRI Services LLP
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as holding company	Same as holding company	Same as holding company	Same as holding company	Same as holding company
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Share capital / Contribution	995.68	1.00	1950.00	1.00	230.27
Other Equity	(1,342.55)	115.89	(1,536.91)	(125.94)	(267.47)
Total assets	668.53	222.84	419.70	0.89	77.28
Total Liabilities	1,015.40	105.95	6.60	125.83	114.48
Investments	296.82	1.00	-	-	-
Turnover	1,151.38	-	-	-	169.71
Profit before taxation	255.39	4.19	17.67	(1.25)	24.27
Provision for taxation	47.99	2.44	-	-	(6.37)
Profit after taxation	207.40	1.75	17.67	(1.25)	30.64
Proposed Dividend	-	-	-	-	-
Extent of shareholding (%)	62.14%	100%	100%	100%	62.14%

Names of subsidiaries which are yet to commence operations: NIL

Names of subsidiaries which have been liquidated or sold during the year: NIL

BY ORDER OF THE BOARD

For **Vijaya Diagnostic Centre Limited**

(formerly known as Vijaya Diagnostic Centre Pvt. Ltd)

Dr. Sura Surendranath Reddy

Executive Chairman

DIN: 00108599

Place: Hyderabad

Date: May 26, 2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

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

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

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Vijaya Diagnostic Centre Limited for the financial year ended on 31st March 2022, according to the provisions of:

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

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

- 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- 1.5.3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- 1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- 1.5.5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [Not Applicable since the company has no such cases]
- 1.5.6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- 1.5.7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [Not Applicable since the company has no such cases] and
- 1.5.8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not Applicable since the company has no such cases]

2. I have also examined compliance with the applicable clauses of the following:

- 2.1. Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2.2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. The Company is engaged in the Business of Medical diagnostic services. Accordingly, the following Industry Specific Acts are applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI. Based on the explanation given, there are adequate system and process in the company to monitor and ensure

the compliance of following sector specific law, rule, regulation and guidelines:

- 3.01. Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994 read with the relevant rules and amendments.
 - 3.02. The Clinical Establishments (Registration and Regulations) Act, 2010.
 - 3.03. The Clinical Establishments (Central Government) Rules, 2012 ("CECG Rules").
 - 3.04. Telangana Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 and rules there under, as applicable.
 - 3.05. Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 and rules there under, as applicable.
 - 3.06. Indian Atomic Energy Act 1962 & Atomic Energy (Radiation Protection) Rules 2004.
 - 3.07. Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 ("Radioactive Waste Rules").
 - 3.08. Radiation Surveillance Procedures for Medical Application of Radiation, 1989 ("Surveillance Procedures").
 - 3.09. Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (the "X-Ray Safety Code").
 - 3.10. Atomic Energy Regulatory Board- Safety Code on Safe Transport of Radioactive Material AERB/NRF-TS/SC- 1, 2015 ("Transport Code").
 - 3.11. Atomic Energy Regulatory Board - Safety code on Nuclear Medicine Facilities dated November 4, 2010 ("Nuclear Medicine Code").
 - 3.12. Radiation Surveillance Procedure for Medical Applications of Radiation, 1989 ("RSPM Notification").
 - 3.13. The Environment Protection Act, 1986 (the "Environment Protection Act") and The Environment (Protection) Rules, 1986 (the "Environment Protection Rules").
 - 3.14. Bio-Medical Waste Management Rules, 2016 ("BMW Rules").
 - 3.15. National Accreditation Board for Testing and Calibration Laboratories ("NABL").
 - 3.16. Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes, 1997 ("HBM Guidelines").
 - 3.17. Consumer Protection Act, 2019 ("COPRA, 2019").
4. I further report that:
- 4.01. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- 4.02. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - 4.03. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
 - 4.04. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
5. I further report that during the audit period there were following specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards:
- The Company has undertaken Initial Public Offer (IPO) and had listed its equity shares on the National Stock Exchange of India Ltd (NSE) and BSE Ltd (BSE) on 14th September, 2021.
 - The Company has issued and allotted 5,66,47,736 equity shares as fully paid bonus shares in the ratio of 5:4 (5 new shares for every 4 shares held) on May 27, 2021 by capitalizing funds out of the Securities Premium Account of the company.
 - The Company has adopted new set of Articles of Association to be in conformity with the requirements prescribed by the relevant stock exchanges before listing and contain such other articles as required by a public limited company under applicable laws (including the Companies Act, 2013).
 - The Company had obtained approvals of shareholders for the amendments and/or ratification of the VDCL Employee Stock Option Plan, in compliance with the applicable SEBI Regulations and for the extension of benefits of ESOP Plan of the Company to its subsidiary companies.

UDIN: F008168D000398448

Balaramkrishna Desina

Company Secretary in Practice

DIN: 00108599

M. No.: FCS 8168

C.P No.: 22414

Place: Hyderabad

Date: 26.05.2022

Peer Reviewed UIN: 12019TL1988700

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

ANNEXURE

To,

The Members,

Vijaya Diagnostic Centre Limited,

CIN: L85195TG2002PLC039075

Hyderabad.

SUBJECT: My Report of even date is to be read along with this letter.

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

UDIN: F008168D000398448

Balaramakrishna Desina

Company Secretary in Practice

DIN: 00108599

M. No.: FCS 8168

C.P No.: 22414

Peer Reviewed UIN. 12019TL1988700

Place: Hyderabad

Date: 26.05.2022

ANNEXURE- III

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

a) CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy:

Your Company ensures optimal use of energy in all the work stations in an endeavour towards conservation of energy. Company has installed inverted AC's, energy saving LED lights, optimization of paper usage and shifting towards digitization of information etc

ii. Steps taken by the Company for utilising alternate sources of energy: Company being in service sector, didn't made any significant steps towards utilising alternative sources of energy.

iii. Capital investment on energy conservation equipment is insignificant. Company primarily focuses on procuring high-end equipment for the quality reporting, which may result in consuming low energy.

b) TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption:

- Company continuously strives to adopt latest technologies and make use of the latest equipment, machinery, diagnostics tools and fully automated systems, analyzers etc., to provide seamless diagnostic services to our customers.
- The Company has latest and advanced equipment technology such as CT, MRI, nuclear medicine, PET and fusion imaging. Have installed 128 Slice CT Scan, 32 Slice CT Scan, DR System, 5CS MRI equipment and Epiq Elite Color Doppler System, Digital mammography etc.

(ii) the benefits derived like product improvement, cost reduction, product development

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

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

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

Foreign exchange earnings and outgo

		(₹)	
Sl. No.	Description	2021-22	2020-21
A	Earnings	-	-
B	Outgo	3,72,17,164	27,56,925

BY ORDER OF THE BOARD
For **Vijaya Diagnostic Centre Limited**
(formerly known as Vijaya Diagnostic Centre Pvt. Ltd)

Dr. Sura Surendranath Reddy

Executive Chairman

DIN: 00108599

Place: Hyderabad

Date: May 26, 2022

ANNEXURE –I V

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

- The percentage increase in the median remuneration of employees during the Financial Year:** Median remuneration of employees of the Company as at the end of the year under review was ₹244,860/- and increased by 4% over the previous year .
- The ratio of the remuneration of each Director to the median remuneration of employees for the Financial Year 2021-22; and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, during the Financial Year 2021-22:**

S No	Name of the Director/KMP	Designation	Percentage increase/ (decrease) in remuneration in the financial Year 2021-22 (%)	Ratio to median remuneration (in times)
1	Dr.Sura Surendranath Reddy	Promoter& Executive Chairman	11.11%	81.70
2	Mrs.Sura Geeta Reddy	Non Executive Director	0	0.00
3	Mr. Sunil Chandra Kondapally	Executive Director	66.67%	40.85
4	Mr. Shekhar Prasad Singh	Independent Director	0	4.90
5	Dr. Duvvur Nageshwar Reddy	Independent Director	0	4.90
6	Mr. Satyanarayana murthy chavali	Independent Director	0	4.90
7	Dr. Manjula Anagani	Independent Director	0	4.90
8	Ms S Suprita Reddy	Chief Executive Officer	83.33%	112.34
9	Mr Narasimha Raju KA [@]	Chief Financial Officer	NA	26.55
10	Ms Sandhya Rani [@]	Chief Financial Officer	NA	39.86
11	Ms V Srilakshmi ^S	Company Secretary	NA	4.90
12	Ms Anusha K ^S	Company Secretary	NA	6.13

@Ms Sandha Rani upto April 18, 2021 Mr.Narasimha Raju KA from May 1, 2021

\$Ms V Srilakshmi upto Nov 8, 2021 and Ms Anusha K from Nov 8, 2021

- The number of permanent employees on rolls of the Company as on March 31, 2022: 1,818.**
- Average percentile increase already made in salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

The average percentage increase in the gross salaries paid to employees other than the managerial personnel in the last financial year is 9% as against an increase of 53% in the salary of Managerial Personnel. Annual increments to employees is based on their individual performance, potential and contribution to the Company while remuneration to managerial personnel has been based on the relevant approvals of the Nomination and Remuneration committee, Board and Shareholders considering the market competitiveness, industry standards and their contribution to the growth of the Company etc..

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

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

BY ORDER OF THE BOARD
For **Vijaya Diagnostic Centre Limited**
(formerly known as Vijaya Diagnostic Centre Pvt. Ltd)

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 26, 2022

ANNEXURE- V

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2021-22

1) Brief outline on CSR Policy of the Company

Vijaya Diagnostic Centre Limited ("the Company") has always been a responsible Corporate Citizen and it has various societal obligations. It always seeks ways to make a positive Impact on the society at large. The Company has developed its CSR policy in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government Of India. Company's CSR Policy, underlines the guiding principles and mechanisms for undertaking various CSR activities/programs by the Company. CSR Policy of the Company is hosted at the website of the Company and the weblink to access the said Policy is given hereunder..

2) Composition of CSR Committee as on March 31, 2022:

Name	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr.SP Singh	Chairman	1	1
Dr D Nageshwar Reddy	Member	1	0
Mr. K. Sunil Chandra	Member	1	0
Mrs.S.Geetha Reddy	Member	1	1

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://vijayadiagnostic.com/csr-activity>

CSR Policy : <https://vijayadiagnostic.com/userui/vijaya/csractivity/VDCL%20CSR%20POLICY.pdf>

CSR Activity : <https://vijayadiagnostic.com/csr-activity>

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

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

Not Applicable for the year under review

5) Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6) Average net profit of the company as per section 135(5): ₹ 8775.06 lakhs

7) a) Two percent of average net profit of the company as per section 135(5): ₹ 175.50 lakhs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): 175.50 lakhs

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

(₹ in Lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
175.50 lakhs		NIL			NIL

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

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

1	2	3	4	5	6	7	8
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project State	Amount spent for the project (Amount in ₹)	Mode of implementation -Direct (Yes/ No)	Mode of implementation – Through implementing agency
1.	For Lets get school back to Girls Program organised by NGO i.e. Family Planning Association of India	Promoting education	No	Mumbai Maharashtra	1,17,600	Yes	Not Applicable
2.	Providing requisite infra to government hospitals.	Promoting health care including preventive health	No	Andhra Pradesh- Kurnool	42,480	Yes	Not Applicable
3.	Providing requisite medical equipment to government hospitals to serve underprivileged patients.	Promoting health care including preventive health	Yes	Telangana- Secunderabad	3,40,000	Yes	Not Applicable
4.	Providing requisite medical equipment to government hospitals to serve underprivileged patients.	Healthcare including Preventive Healthcare	No	Andhra Pradesh- Visakhapatnam	2,55,080	Yes	Not Applicable
5.	Skill Training-To Trainees under NAPS	Promoting Vocational skills	Yes	Telangana- Hyderabad	166,94,968	Yes	Not Applicable
6.	Yuva Unstoppable for Help to Get set learn initiative to overcome Covid Vaccine hesitancy for FY 21 22	Preventive Health care and Disaster Management-	No	Mumbai Maharashtra	1,00,000	Yes	Not Applicable

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 175.50 lakhs

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

		(₹ in Lakhs)
S. No	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	175.50
(ii)	Total amount spent for the Financial Year	175.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

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

(₹ in Lakhs)

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2020-2021	NIL	0	NIL			NIL
2	2019-2020		0				
3	2018-2019		0				

10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Not Applicable

Dr. Sura Surendranath Reddy
Executive Chairman

Mr. Shekhar Prasad Singh
Chairman of CSR Committee

Ms. Sura Suprita Reddy
Chief Executive Officer

EMPLOYEE STOCK OPTION PLAN

Initially the ESOP Plan 2018 and Schemes framed thereunder have been approved by shareholders on May 03, 2018 ("Pre IPO ESOP Plan") with an objective to drive the performance of the employees, attract best talent and retain key employees etc.,. On March 25, 2021, the aforesaid ESOP Plan 2018 and Schemes framed thereunder have been amended to ensure that the Pre IPO ESOP Plan is in compliance with the provisions of SEBI (Share Based Employee Benefit) Regulations, 2014 as the company has proposed to undertake the Initial Public offer of shares.

Subsequently on August 16, 2021, the aforesaid ESOP Plan 2018 and Schemes framed thereunder have been amended to ensure that the ESOP Plan is in compliance with the provisions of SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 notified on August 13, 2021. ("SEBI ESOP Regulations"). Further Pre-IPO ESOP Plan was ratified by the shareholders vide postal ballot on January 11, 2022 pursuant to Reg 12 of SEBI ESOP Regulations.

The ESOP Plan of the Company is in compliance with SEBI ESOP Regulations.

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

The disclosures are provided in the Note No. 29 to the Financial Statements of the Company for the year ended March 31, 2022.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time: 10.54.

C. Details related to ESOS

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

Particulars	Year ended March 31, 2022	
Date of shareholders' approval	Institution/Amendment Date	Date of EGM
	03.05.2018	03.05.2018
	25.03.2021	25.03.2021
	16.08.2021	16.08.2021
	11.01.2022*	11.01.2022*
	*Ratification of Pre-IPO ESOP Plan pursuant to Reg 12 of SEBI (SBEB and Sweat Equity) Reg 2021 vide Postal Ballot	
Total number of options approved under ESOS	16,25,000	
Vesting requirements	The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. The time based options under Scheme 5 become eligible and vest on an annual basis at 25%, 25%, and 50% over a period of three years. The time based options under Scheme 6 become eligible on an annual basis at 0%, 25%, 50% and 25% over a period of four years and The performance based options under Scheme 6 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years.	
Exercise price or pricing formula	The Exercise Price is the fair value of the equity share as on the date of the grant or as decided by the Nomination and remuneration committee. Exercise Price for the outstanding grants made on March 25, 2021 is ₹ 111.11/-	
Maximum term of options granted	4 years	
Source of shares (primary, secondary or combination)	Primary	
Variation in terms of options	Amendments in the ESOP Plan or schemes framed thereunder during the year under review are in order to be in compliance with SEBI ESOP Regulations.	

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

Particulars	Details
Number of options outstanding at the beginning of the period	544,508
Number of options granted during the year	0
Number of options forfeited / lapsed during the year before bonus issue	159,230
Number of options outstanding before bonus issue	385,278
Adjustment for corporate action-bonus issue (May 2021)	481,575
Number of options outstanding after adjustment of bonus issue	866,853
Number of options forfeited / lapsed during the year after bonus issue	106,897
Number of options vested during the year	111,878
Number of options exercised during the year	0
Number of shares arising as a result of exercise of options	0
Money realized by exercise of options (INR), if scheme is implemented directly by the company	NIL
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	759,956
Number of options exercisable at the end of the year	111,878

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

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
1st Grant	10-May-18	463,750	-	220.00	222.10
2nd Grant	31-Oct-18	9,000	-	233.90	233.90
3rd Grant	1-Apr-19	75,780	-	236.90	236.90
4th Grant*	25-Mar-21	866,853	759,956	111.11	111.11

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

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

Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	0
any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	0
identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	0

- (vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
- a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model.

As disclosed in Note no 29 to financial statements.

- b) the method used and the assumptions made to incorporate the effects of expected early exercise and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition:

The fair value of equity share options is estimated at the date of grant using Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 50% of stock options are expected to be vested and exercised

- c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility: NA

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

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

BY ORDER OF THE BOARD
For **Vijaya Diagnostic Centre Limited**
(formerly known as Vijaya Diagnostic Centre Pvt. Ltd)

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 26, 2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

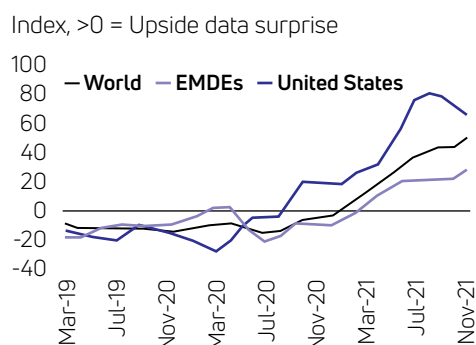
Global economy

Following a major slowdown in CY2020, global economy witnessed a recovery and posted a growth of 6.1% in CY2021. With the fading of lockdown restrictions, economic activities started recovering, which in turn raised the disposable income, albeit gradually. The recovery can also be attributed to considerable growth in investments. Additionally, with the rise in trading activities, the global world product (GWP) is likely to surpass the pre-pandemic levels by 1.9%.¹

While goods trade experienced a swift recovery, service trade on the other hand is moderated, owing to subdued travel services. Supply-side constraints are fading substantially, since most of it (semiconductor shortage, ports and warehouse shut down, etc.) are pandemic induced. However, owing to these constraints, supply-demand imbalances were quite prevalent and shipping prices reached an all-time high.²

With supply responding well to the surged demand, energy prices grew in the second half of CY2021. However, inflation has been on the rise for a long time now, and is likely to pose downside risks on the economic recovery. This can be attributed to the rising food costs, in combination with pent-up demand and supply-chain disruptions.³

Inflation surprises



Source-Global Economic Prospects- World Bank

Outlook

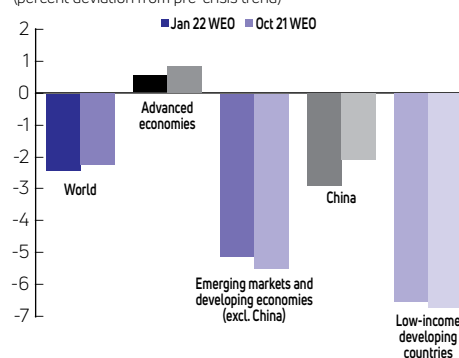
Global economic output is likely to be moderated by 4.4% in CY2022. This can be attributed to the economic slowdown in the US and China. Additionally, global trade is likely to slow down to 5.8% in CY2022, followed by a decline of 4.7% in CY2023. Inflation is likely to persist for longer than expected,

across advanced as well as developing economies. Moreover, EMDEs are expecting a slowdown, in terms of output, whereas advanced economies are likely to restore to the pre-pandemic levels.

However, barring the uncertainties, in terms of inflation and rising geopolitical conflicts, the global economy is offering a promising outlook. This can be attributed to the rapid vaccination roll out, accommodative fiscal and monetary policies, coupled with sustained demand and moderated energy and food prices. Nonetheless, rising shipping cost can influence inflation, across economies. The rise in inflation, as a result of growing shipping cost is likely to be different for different countries. Consequently, global economic is expecting a divergent recovery.

Divergent recoveries persist

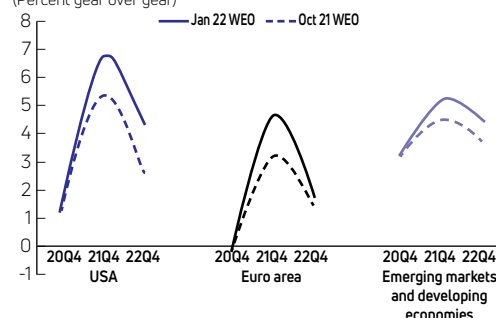
Medium-term output losses for emerging markets and developing economies are likely to be large (percent deviation from pre-crisis trend)



Sources: IMF, World Economic Outlook, and IMF staff calculations. Note: Bars show the difference in real output four years after the crisis and anticipated output for the same period prior to the crisis for the indicated regional group

Inflation revised higher

Price pressures are expected to persist for longer (Percent year over year)



Sources: IMF, World Economic Outlook, and IMF staff calculations.

Source: IMF blog- A Disrupted Global Recovery

¹ The world economic outlook and prospects 2022, CHP 1- UN https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP2022_CH1.pdf

² "Global activity has continued to recover, and trade in goods has reached new highs despite persistent supply bottlenecks." Global economic Prospectus- World Bank- <https://www.worldbank.org/en/publication/global-economic-prospects>

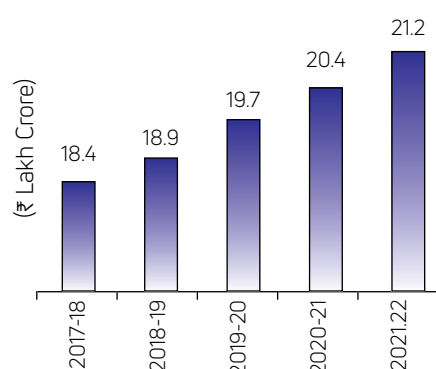
³ A Disrupted Global Recovery- IMF blog by Gita Gopinath-<https://blogs.imf.org/2022/01/25/a-disrupted-global-recovery/>

Indian economy

The economy remained resilient in the face of second wave. Consequently, the GDP has been showing signs of recovery. Following that, Indian GDP is likely to grow by 9.2% in FY2022.⁴

Notwithstanding the pandemic, the agricultural sector is likely to grow by 3.9% in FY2022. Manufacturing on the other hand, is expecting a growth of 12.5% in FY2022. This can be attributed to the constant government impetus, with initiatives, such as the PLI scheme.⁵

Real GVA of Agriculture and Allied Sectors



Source- Economic Survey 2021-2022

Even though the service sector has been majorly affected, it is experiencing a rapid recovery. In FY2022, the sector is expecting to grow by 8.2%. While the travel and related segments are striving to restore to their pre-pandemic levels, the finance, real estate and public administration segments have surpassed it.⁶

The country was already battling inflation, which has been further exacerbated by the rising food and energy costs. However, comparatively, the inflation is likely to moderate to 5.3%, owing to the easing of unfavourable base effect.⁷

Outlook

In FY2023, Indian GDP is likely to expand between 8% and 8.5%. This can be attributed to the wide vaccination coverage, supply-side reforms, export growth, easing of regulation and rising capex⁸. India's overall economic activity remained resilient, amid the third-wave. The encouraging performance of several high-frequency indicators, such power consumptions, PMI manufacturing, and e-bill generation are some of the major growth drivers of the economy.

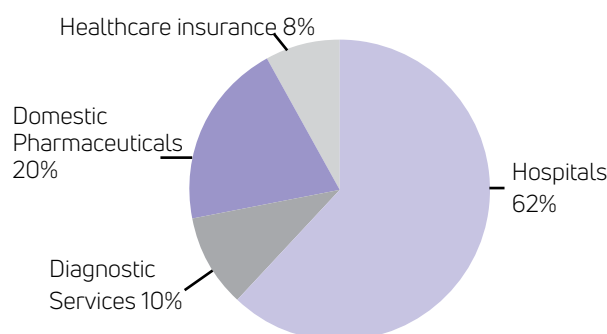
With strong focus on asset creation, the country is likely to invigorate the private sector investment. With the rise in investment, production is likely to surge and meet the growing demand situation. Even though, rising inflation at the back of rising commodity prices act as short-term headwinds to

the economy, the country is on its way becoming the fastest growing major economy. Overall, barring the externalities, such as rising geo-political conflicts and subsequent impact on the economy, India holds an optimistic outlook.

Indian healthcare industry

Healthcare market in India is broadly classified into Healthcare delivery market (hospitals), Pharmaceutical industry, diagnostic industry and Healthcare insurance.

Market Share of Indian healthcare industry



The key growth driver for the healthcare market in India are

Shift from communicable to Non-communicable diseases

India is experiencing a rapid health transition with a rising burden on Non-communicable diseases (NCDs) / lifestyle diseases surpassing the burden of communicable diseases such as water-borne, TB, HIV etc. As per WHO, it is estimated that deaths caused by the Non-communicable diseases such as Cardiovascular diseases, cancer, Chronic respiratory diseases, Diabetics to increase to over 70% of all deaths in India by 2030. The increase in urbanisation coupled with problem related to modern day living in urban areas would lead increase in lifestyle diseases. Most of the lifestyle diseases are caused by high cholesterol, high blood pressure, obesity, poor diet etc.

Increase in population as well as change in population mix

As per World Bank data, India has the second largest population in the world ~1.38 billion after china of ~1.40 billion in 2020. By 2030, India will surpass China and become largest population country in the world. The population of 60+ years is around 10% in 2021 and is expected to reach 13% by 2026.

Rising income levels to make quality healthcare services more affordable

Even though healthcare is considered a non-discretionary expense, considering that an estimated 83% of households in India had an annual income of less than ₹ 0.2 million in FY2012 (as per CRISIL research), affordability of quality healthcare facilities remains a constraint. Growth in household income

⁴ Economic Survey 2021-2022- State of Economy- <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>

⁵ <https://www.mospi.gov.in/documents/213904/416359//CPI%20Press%20Release%20January%2020221644840475488.pdf/cc38fb8b-48b2-24a8-9ae0-534b4016fdf9>

⁶ <https://pib.gov.in/PressReleasePage.aspx?PRID=1793826>

and disposable income are critical to the overall growth in healthcare market in India. The share of households falling in the income bracket above ₹ 0.2 million is expected to go up to ~35% in FY 2022 from 17% in FY2012 and 23% in FY2017.

Growing Health insurance penetration to propel demand for the overall healthcare market

Low health-insurance penetration is one of the major impediments to the growth of the healthcare delivery industry in India, as affordability of quality healthcare facilities by the lower-income groups remains an issue. As per the Insurance Regulatory and Development Authority ("IRDA"), nearly 499 million people have health insurance coverage in India (as of FY 2020), as against 288 million (in FY 2015), but despite this robust growth, the penetration in fiscal year 2020 stood at only 36%. The low health-insurance penetration is one of the major impediments to the growth.

Government's policies and initiatives

In the Union Budget (2022-23), the GOI has allocated ₹ 86200 crore to the Ministry of Health and Family Welfare, which marks a 16.5% growth in allocation. This can be attributed to the rising allocation in centrally sponsored schemes for public health, which helps in building sustainable healthcare infrastructure. Furthermore, with more awareness about health in the recent times, this also ensures that the growing healthcare needs are met.⁹

Some government led initiatives are as follows:

- **Ayushman Bharat-Pradhan Mantri Jan Arogya Yojna (AB-PMJAY):** Approximately, ₹ 6,412 crore has been allocated to this scheme, which offers healthcare services to the vulnerable sections of society.
- **National Digital Health Mission:** Almost ₹ 200 crore was allocated to develop this, which will digitalise all the health records through an open platform.
- **Facilitating research:** The department of Health Research has been allocated with ₹ 3200 crore.
- **Tele-mental health centres:** A budget of ₹ 40 crore has been allocated to set up 23 tele-mental health centres. These are to be set up with the help of Bengaluru based NIMHANS and Indian Institute of Information Technology.¹⁰

Indian Diagnostic market

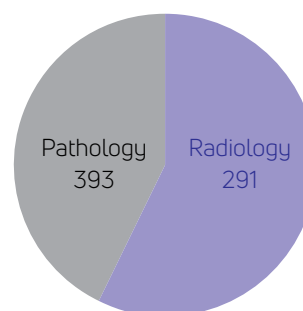
In the spectrum of healthcare services, diagnostic services play the key role of information intermediary, providing useful information for correct diagnosis and treatment of diseases. India's diagnostics sector is one of the fastest growing service segments in healthcare segment, with a market size of ~ ₹ 730

billion in FY 2021 and estimated to reach ₹ 980 billion by FY 2023. In FY2021, the growth was impacted and estimated only ~5% to 7% due to COVID-19 related restriction. Pre-covid, the industry has grown at a CAGR of 13 to 14% between FY2017-2020 and the growth momentum to continue going forward as well based factors such as ageing population, growing focus on wellness testing, rising demand for specialized tests, increased insurance penetration with the market moving towards organized players.

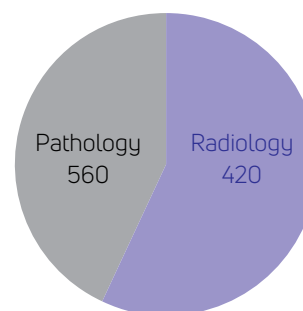
Diagnostic services are broadly classified into pathology and radiology services based on the provision of services. Pathology includes examination and laboratory analysis of body fluids (blood, urine, etc) or organs and tissues to diagnose diseases. Radiology involves usage of imaging technologies such as X-rays, radiography, ultrasound, CT scans, MRI scans to diagnose diseases.

Pathology segment accounts around 57% of overall market while remaining 43% is from radiology segment in FY 2020 as CRISIL research. The radiology market witnessed a CAGR of 14% between FY2017 to 2020 and reached ₹ 291 billion and is estimated to reach ~₹ 420 billion by FY 2023, witnessing a CAGR growth of ~14%.

On other hand, pathology market in India is valued at ₹ 393 billion in FY 2020 registering a CAGR of approximately 12% between the fiscal years 2017 and 2020. The pathology market is projected to reach a value of 560 billion in fiscal year 2023, achieving a CAGR of 13% between FY 2020 - 23, slightly lower than the growth rate for radiology during the same period.



FY20



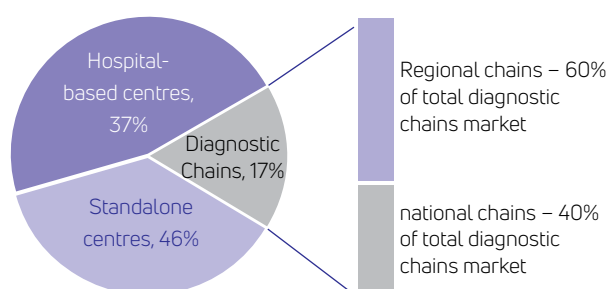
FY23E

⁹ Indian Union Budget 2022-23 Point of view- KPMG- <https://assets.kpmg/content/dam/kpmg/in/pdf/2022/02/healthcare-budget-2022-23.pdf>

¹⁰ Budget 2022-Hits and Misses, an Individual Perspective- Mint- <https://www.livemint.com/opinion/online-views/budget-2022-hits-and-misses-an-individual-perspective-11643788134239.html>

Industry shifting towards diagnostic chains

Diagnostic centres in India is classified into hospital-based, diagnostic chains (both national and regional chains) and standalone chains. The industry is highly fragmented and also underpenetrated. As per CRISIL research, in FY 2020, the standalone centres and hospital-based centres together accounts for 83% of total market. The diagnostic chains comprise of 17%, which is further split into regional (65% of total diagnostic chains market) and national chains. The Industry has witnessed a shift from standalone centres to diagnostic chains due to increasing trend of patients' reliance on diagnostic chains for their quality of services and unavailability of complex tests with standalone centres. The shift would be even faster going forward as the importance reliable diagnostic services significantly increased due to COVID-19.



Source: CRISIL Research

Shift towards preventive and wellness testing packages

Majority of mid to large diagnostic chains and hospital-based diagnostic centres are increasingly marketing their test menus in the form of preventive and wellness packages. These health packages help identify pre-existing diseases or the likely risk from particular diseases before the actual symptoms appear. The tests are expected to help people take corrective action before chronic conditions take hold.

As per CRISIL research estimates, the market for wellness and preventive diagnostics was around 9% of the total diagnostic services industry in FY 2020. Rising disposable income combined with improving literacy is set to increase awareness about preventive healthcare, thereby boosting demand diagnostic services. The segment is expected to account for around 11% share of diagnostic pie.

Opportunities

Owing to the low entry barriers, many medium sized players try to enter the industry. However, since large organised players have the benefit of experience, quality, etc. and can leverage on brand trust, it makes it difficult for the new entrants to make profits. Standalone labs lack all the features mentioned above, they have very limited test menus and is yet to build brand

trust. Similarly, hospital-based laboratories are limited with in their own patients.

Additionally, large diagnostic chains have managed to utilise their assets to open a greater number of collection centres. They also have the power to control and minimise their input cost, compared to standalone centres¹¹. Owing to the pandemic induced surge in preventive testing, and a strong focus on quality, the prominent players are in favourable condition to grow.

Challenges

Low entry barriers: Owing to high returns, the sector has proved to lucrative. Consequently, a large number of players have entered the market, and subsequently resulted in high competition with limited offerings.

Pricing pressures: The high competition in the sectors has put mounting pressure on the players to gain market share by efficiently pricing their tests.

Technological advancements: Medical devices and tests are always getting updated. It is essential for the players to keep up with the global standards through frequent upgradation.

Geographical expansion: Large chain players face great competition from local players when entering new markets, as they have more experience about the local market.

Outlook

Even though, the Indian diagnostic industry is smaller than the developed nations, it is one of the fastest growing sectors. This sector largely relies on economies of scale, quality of offerings and pricing of the tests. It is essential for the players to gauge demand and adopt advance technology bolster customer confidence.

Company Overview

Vijaya Diagnostic Centre was founded in 1981 and is one of India's most well-known medical diagnosis brands. It serves customers throughout Telangana and Andhra Pradesh with pathology and radiology services. The company has a diagnostic network that spans 15 cities and includes over 90 cutting-edge centres. The organisation has a network of over 95 diagnostic centres in 15 cities that provide laboratory, radiology, and imaging services, as well as cardiology, neurology, and gastroenterology services.

The Company is always striving to improve its ability to serve patients and improve all elements of health care in India. The company's commitment to ongoing improvement and expansion is evident by its rapidly expanding network of diagnostic centres and its focus on upgrading these facilities with cutting-edge technology. The Company's four decades of success may be attributed to its ideals, which emphasise diagnostic quality and

¹¹ Formalization of Diagnostic industry- Initiating Coverage- Diagnostic Sector- HDFC securities retails research

accuracy. The diagnostic centres are outfitted with a state-of-the-art medical equipments and operated by a team of over 2200 skilled technologists, radiologists, pathologists, microbiologists, and doctors, making the Company one of India's largest diagnostic centre chains in south India, Kolkata and Gurgoan. With the present evolving challenges and focus on healthcare across the country, the Company has a strong presence across India and is committed to offering high-quality, cost-effective services to its patients.

Performance Review

Operational Highlights

- The Company conducted 9.32 Mn successful tests.
- The Company experienced a footfall of 3.62 Mn in FY 2021-22.
- The Company opened 15 new centres out of 95 total centres.
- The Company's B2C revenue remained at 94%.

Financial Performance

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
INCOME				
Revenue from Operations	45,087.93	36,731.59	46,236.99	37,674.57
Earnings Before Depreciation, Interest, Tax and Exceptional Items	19,985.58	16,329.69	20,369.01	16,597.49
Profit before Tax	14,438.08	10,958.62	14,738.43	11,212.39
Profit after Tax	10,810.47	8,282.15	11,066.76	8,512.65
Basic EPS	10.60	8.12	10.76	8.28
Diluted EPS	10.54	8.12	10.69	8.28

Key Financial Ratios

Ratios	FY 2021-22	FY 2020-21
Debtors Turnover (no. of days)	7.7	6.5
Inventory Turnover (no. of days)	3.4	2.6
Interest Coverage Ratio (in times)	9.18	7.58
Current Ratio (in times)	4.08	5.39
Debt Equity Ratio (in times)	0.00	0.01
Operating Profit Margin (in %)	44	44
Net Profit Margin (in %)	24	23
Return on Net Worth (in %)	23	24

Human Resource

Employees at Vijaya Diagnostic Centre get the opportunity to work in a state-of-the-art laboratory and diagnostic centre. Company grants ESOP to attract & retain the talent and reward & drive the performance of the employees etc. The Company offers a variety of learning and development programmes to its employees. The Company also has a robust grievance procedure in place to guarantee that all employee interactions are fair and transparent. The company develops its workers' abilities by providing them with opportunities to learn from the top consultants and experts at all levels. As of March 31, 2022 number of on roll employees of the Company are 1818.

Risks and Concerns

Vijaya Diagnostic Centre is prone to several external as well as internal risks as it works in the healthcare industry which is very complex in nature.

- **Pricing Risk** – Due to the certain government restriction or recommendation on prices the Company might encounter pricing pressure on the services they offer. This might have adverse impact on the revenue and profitability of the Company.

Mitigation - Our ability to provide comprehensive, innovative and state-of-the-art diagnostic services under one roof enables us to protect our top and bottom line from any adverse government regulations.

- **Regulatory Risk** – The Company is exposed to the risk of changes in government policies in the healthcare sector.

Mitigation - The Company keeps a regular check on the regulatory policies of the government to stay updated and with all the changes.

- **Competitive market** – Growth and development in the healthcare industry are simultaneously increasing competition within the healthcare sector.

Mitigation - Over the past 4 decades the Company has build strong brand name that stands as a synonym for provider

of diagnostic services. The company has integrated services backed by advanced radiology technology which gives it edge over its competitors.

- **Human Resource Risk** – The employees of a company are its very important assets. It becomes vital to improve improvise and update their skills and knowledge on regular basis. The Company may face challenges if they do not have sufficient training opportunities for them.

Mitigation – Company grants ESOP to attract & retain the talent and reward & drive the performance of the employees etc. Further the Company has a set of several training and development programmes for their employees to keep their skillset up to date. They also provide them with opportunities to learn from top notch consultants and experts.

Outlook

Despite the headwinds in the macroeconomic environment, the Company is optimistic about delivering on its strategic goals and creating value for our stakeholders. Additionally, the Company plans to explore untapped potential in Tier 2 and Tier 3 cities in India and strengthen its market share in the country.

Internal Control and their Adequacy

The Company has a proper internal control system in place. All financial and operational tasks are covered by well-documented policies and procedures. These internal control policies and

processes enable the Company to maintain accurate accounting records in a transparent manner. The Company recognises that internal controls must be enhanced and reinforced on a continuous basis, and their goal is to implement best practises to stay up with changing company demands and corporate development. This improves the credibility of the Company financials, the effectiveness of the operations, and the efficient use of assets.

Cautionary Statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

BY ORDER OF THE BOARD
For **Vijaya Diagnostic Centre Limited**
(formerly known as Vijaya Diagnostic Centre Pvt. Ltd)

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Place: Hyderabad
Date: May 26, 2022

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance reflects the efficient conduct of affairs of the Company in a transparent manner, which help in maximizing the stakeholder's value. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. Company believes that good governance practices contribute to superior long term performance of the Company. The Company is committed to adhere to the good Corporate Governance practices.

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

II. BOARD OF DIRECTORS

- Your Company has an optimum mix of Executive and Non-Executive Directors. As on March 31, 2022, the Board of Directors of the Company comprised of 7 (Seven) Directors out of which 2 (Two) are Executive Directors, 1 (One) Non-Executive Non Independent Director and 4 (four) Non-Executive Independent Directors, including 1 (One) Woman Independent Director. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and Section 149 and 152 of the Companies Act 2013 Companies Act.
- The names and categories of the Directors on the Board, their attendance at Board Meetings and at the last Annual General Meeting ("AGM") held during the year under review, name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies and names of listed companies in which they are Director, as on March 31, 2022 are given herein below;

Name of the Director	Category	Number of Board Meetings		Attendance at the last AGM held on August 04, 2021	Number of Directorships in other companies	Number of Committee positions held in other Companies®		No. of shares of ₹ 1 each held in the Company®	Directorships in Other listed entities	
		Held	Attended			Chairman	Member		Name of the Listed entity	Category
Dr. Sura Surendranath Reddy	Executive Chairman	10	10	Yes	7	---	2	3,34,22,899	Medinova Diagnostic Services Ltd.	Non-Executive Director
Mr. Sunil Chandra Kondapally	Executive Director	10	9	Yes	4	---	---	91,06,933	Medinova Diagnostic Services Ltd.	Managing Director
Mrs. Sura Geeta Reddy	Non-Executive Non Independent Director	10	7	Yes	3	---	---	40,58,638	---	---
Mr. Chavali Satyanarayana Murthy*	Non-Executive Independent Director	10	10	Yes	4	2	3	---	1. Gland Pharma Ltd, 2. Balaji Amines Ltd.	Independent Director
Dr. Duvvur Nageshwar Reddy*	Non-Executive Independent Director	10	9	Yes	4	---	---	---	---	---
Mr. Shekhar Prasad Singh*	Non-Executive Independent Director	10	10	No	---	---	---	---	---	---
Dr. Manjula Anagani^	Non-Executive Independent Director	4	2	NA	---	---	---	---	---	---

*Appointed effective from May 26, 2021

^Appointed effective from August 22, 2021

During the year under review, Mr. Aditya Vij and Mr. Nishant Sharma, Nominee Directors resigned effective from May 26, 2021 and March 7, 2022 respectively and Mr. PS Narasimha, was appointed as an Independent Director from May 26, 2021 and subsequently resigned on August 21, 2021.

@ Includes only Audit and Stakeholders Relationship Committees (excluding private limited companies, foreign companies, and companies under Section 8 of the Companies Act 2013 or Section 25 of the Companies Act 1956).

@@ Company has not issued any convertible instruments.

iii. Number of Meetings of the Board

During the financial year 2021-22, Board of Directors met 10 (Ten) times on May 26, 2021, May 27, 2021, June 4, 2021, July 24, 2021, August 11, 2021, August 16, 2021, August 24, 2021, September 6, 2021, November 8, 2021 and February 4, 2022. The maximum gap between any two consecutive meetings did not exceed one hundred and twenty days.

iv. Disclosure of relationships between directors inter-se

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

Surendranath Reddy and Mrs. Sura Geeta Reddy are husband and wife and Mr. Sunil Chandra Kondapally is the son of Dr. Sura Surendranath Reddy and Mrs. Sura Geeta Reddy.

v. Familiarisation program for Independent Directors

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

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

vi. Board Skill matrix:

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

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

vii. Confirmation of Independence

All the Independent Directors have given their respective declarations that they meet the criteria of independence as prescribed under Listing Regulations and Companies Act. The Board of Directors, based on the declaration(s) received from the Independent Directors, had verified the veracity of such disclosures and is of opinion that Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Companies Act and are independent of the management.

viii. Reasons of resignation of Independent Director.

Mr. P. S. Narasimha who was appointed as Independent Director of the Company effective from May 26, 2021, has been subsequently elevated as judge of the Supreme Court of India. In order to adhere to the ethics expected by him as a judge of the Supreme Court of India he had submitted his resignation as Independent Director of the Company effective from August 21, 2021. There have been no other material reason other than above mentioned.

III. COMMITTEES OF THE BOARD OF DIRECTORS

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

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

A. AUDIT COMMITTEE

The Audit Committee of the Company has been duly constituted as per Regulation 18 of the Listing Regulations and Section 177 of the Companies Act.

a. Terms of reference:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of our Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications and modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Examination of the financial statement and auditor's report thereon;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as may be required / mandated as per the provisions of the Companies Act, 2013, Listing Agreements and/or any other applicable laws;
- Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

b. Composition:

The composition of the Audit Committee is as given below:-

Name of the Committee Member	Category	Position
Mr. Chavali Satyanarayana Murthy	Non-Executive Independent Director	Chairman
Dr. Duvvur Nageshwar Reddy	Non-Executive Independent Director	Member
Mr. Shekhar Prasad Singh	Non-Executive Independent Director	Member

Note: Mr Nishant Sharma, Nominee Director is member of the committee upto March 7, 2022

c. Meetings and Attendance

During the financial year under review, the Audit Committee met five times on May 27, 2021, August 11, 2021, August 16, 2021, November 08, 2021 and February 04, 2022.

The details of attendance of members of the Committee in the aforesaid meetings are as given below;

Name of the Committee Member	No of meetings attended
Mr. Chavali Satyanarayana Murthy	5
Dr. Duvvur Nageshwar Reddy	4
Mr. Shekhar Prasad Singh	5

B. NOMINATION AND REMUNERATION COMMITTEE

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

a. Terms of reference

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that: —

- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals;

- Formulating criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal;
- Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommending to the board, all remuneration, in whatever form, payable to senior management;
- Administering, monitoring and formulating detailed terms and conditions of the ESOP Plan 2018 and ESOP Schemes 2018 including any amendments made thereto, and any other employee stock option plan that the Company adopts in the future;

- Carrying out any other function as is mandated by the Board from time to time and / or enforced/ mandated by any statutory notification, amendment or modification, as may be applicable;
- Performing such other functions as may be necessary or appropriate for the performance of its duties as prescribed under applicable laws;
- Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
 - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.

b. Composition

The Composition of Committee is as given below;

Name of the Committee Member	Category	Position
Mr. Chavali Satyanarayana Murthy	Non-Executive Independent Director	Chairman
Mr. Shekhar Prasad Singh	Non-Executive Independent Director	Member
Mrs. Sura Geeta Reddy [^]	Non-Executive Non Independent Director	Member

Note: Mr. Nishant Sharma, Nominee Director is member of the committee upto March 7, 2022

[^]Mrs. Sura Geeta Reddy, Non-Executive Non Independent Director was inducted as member of the Company in place of Mr.Nishant Sharma from May 26, 2022

c. Meetings and attendance

During the financial year under review, the Nomination and Remuneration Committee met thrice on May 27, 2021, August 16, 2021 and November 08, 2021.

The details of attendance of the members of the Committee in the aforesaid meetings is as follows:

Name of the Members	Attended
Mr. Chavali Satyanarayana Murthy	3
Mr. Shekhar Prasad Singh	3
Mrs. Sura Geeta Reddy [^]	–

[^]Mrs Sura Geeta Reddy, Non-Executive Non Independent Director was inducted as member of the Company from May 26, 2022. Mr.Nishant Sharma was member upto March 7, 2022 and had attended 3 meetings during the year under review.

d. Performance evaluation criteria.

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

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

Evaluation of Board's performance was based on criteria such as structure and functioning of the Board, frequency of meetings and effectiveness, discussions, professional development, etc. Evaluation of Committees was based on criteria such as adequate independence of each Committee, frequency of meetings and composition and functioning of Board Committees and effectiveness of its advice/ recommendation to the Board, etc. Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, knowledge and competency, commitment, integrity, experience and expertise, ability to function as a whole etc. Further Independent Directors were evaluated on parameters such as skills, expertise and exercise of independent judgement in major decisions of the Company, participation and contribution in Board and Committee meetings etc.

The Individual Directors 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.

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

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company has been duly constituted as per Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act.

a. Terms of Reference

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints.
- To review of measures taken for effective exercise of voting rights by shareholders.
- To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time.
- To review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI Listing Regulations or by any other regulatory authority.

b. Composition

The Composition of Committee is as given below;

Name of the Members	Category	Position
Dr. Duvvur Nageshwar Reddy	Non-Executive Independent Director	Chairman
Mr. Chavali Satyanarayana Murthy	Non-Executive Independent Director	Member
Mr. Sunil Chandra Kondapally	Executive Director	Member

c. Name and designation of Compliance Officer

Ms. Anusha Kanumuru, Company Secretary and Compliance Officer
Contact No. : +91 40 23420411
Email ID for investor grievances: ir@vijayadiagnostic.in

d. Investor Complaints

During the financial year ended March 31, 2022, the Company has received and resolved 1 complaint from investors. Number of complaints not resolved to the satisfaction of shareholders is nil and there were no pending complaints at the year end.

e. Meeting and Attendance

During the financial year under review, the Stakeholders Relationship Committee met once on February 04, 2022. All the members of the Committee attended the said meeting.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company has been duly constituted as per Section 178 of the Companies Act.

a. Terms of Reference

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

responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

The detailed CSR Policy is available on the website of the Company and can be accessed through the following weblink:

<https://www.vijayadiagnostic.com/userui/corporategovernance/CSR-POLICY.pdf>

b. Composition

The Composition of Committee is as given below;

Name of the Members	Category	Position
Mr. Shekhar Prasad Singh	Non-Executive Independent Director	Chairman
Dr. Duvvur Nageshwar Reddy	Non-Executive Independent Director	Member
Mrs. Sura Geeta Reddy	Non-Executive Non Independent Director	Member
Mr. Sunil Chandra Kondapally	Executive Director	Member

c. Meetings and attendance

During the year ended March 31, 2022, one meeting of Corporate Social Responsibility Committee was held on August 11, 2021.

The details of attendance of the members of the Committee in the aforesaid meeting is as follows:

Name of the Members	No of meetings attended
Mr. Shekhar Prasad Singh	1
Dr. Duvvur Nageshwar Reddy	0
Mrs. Sura Geeta Reddy	1
Mr. Sunil Chandra Kondapally	0

E. RISK MANAGEMENT COMMITTEE:

The provisions of Regulation 21 of Listing Regulations relating to Risk Management Committee, are applicable to top 1000 listed entities on basis of market capitalization as at end of immediate preceding financial year. Accordingly the said regulations will be applicable to the Company from financial year 2022-23. The Board has constituted the 'Risk Management Committee' to be in compliance with the provisions of the Listing Regulations.

a. Terms of reference

- (1) To formulate a detailed risk management policy this shall include:

- (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

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

b. Composition

The Composition of Committee is as given below;

Name of the Members	Category	Position
Mr. Sunil Chandra Kondapally	Executive Director	Chairman
Dr. Duvvur Nageshwar Reddy	Non-Executive Independent Director	Member
Ms. Sura Suprita Reddy	Senior Management (CEO)	Member

c. Meetings and attendance.

The provisions relating to Risk Management committee are applicable to the Company from the financial year 2022-23.

IV. REMUNERATION TO DIRECTORS

a. Disclosures with respect to remuneration:

The details of remuneration paid to Directors for the Financial Year ended March 31, 2022 is as given below:

Executive Directors:

Name of the Director(s)	Remuneration (₹)
Dr. Sura Surendranath Reddy	1,96,66,670/-
Mr. Sunil Chandra Kondapally	93,33,330/-

Non-Executive Independent directors:

Name of the Director(s)	Consolidated Remuneration by way of Commission (₹)
Mr. Chavali Satyanarayana Murthy	12,00,000/-
Dr. Duvvur Nageshwar Reddy	12,00,000/-
Mr. Shekhar Prasad Singh	12,00,000/-
Dr. Manjula Anagani	9,00,000/-

- The details of fixed component and performance linked incentives, along with the performance criteria: The shareholders of the Company have approved the payment of fixed remuneration to Executive Directors. There have been no performance linked incentive payable to them.
- Service contracts, notice period, severance fees : Company doesn't have any service contracts with any of the Directors. There is no separate provision for payment of severance fee to Directors.
- Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: None of the Directors has been allotted any stock options under the ESOP Plan of the Company.

- During the year under review, there was no pecuniary relationship or transaction between the Company and any of its Non- Executive Independent Directors apart from payment of consolidated remuneration by way of commission. Mrs. Sura Geeta Reddy, Non-Executive Non Independent Director of the Company has given certain premises on lease to the Company, for operating diagnostic centres at the said premises in earlier years and one premises in current financial

year. The Company has paid her lease rentals to the aforesaid leased premises during the financial year. The details of the same are provided in notes to financial statements.

c. Criteria for making payments to Non-Executive Directors

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

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

V. GENERAL BODY MEETINGS

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

Particulars	F.Y. 2018-19	F.Y. 2019-20	F.Y. 2020-21
Date	September 30, 2019	September 28, 2020	August 04, 2021
Time	03.00 p.m.	03.30 p.m.	03.30 p.m.
Venue	Corporate office, Punjagutta Hyderabad	Corporate office, Punjagutta Hyderabad	Corporate office, Punjagutta Hyderabad
Special Resolutions	a) Reappointment of Dr. Sura Surendranath Reddy as an Executive Chairman. b) Reappointment of Mr. Sunil Chandra Kondapally as an Executive Director.	NIL	NIL

b. Postal Ballot

During the Financial Year 2021-22, pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") and Listing Regulations, your Company passed three Special resolutions through postal ballot via remote e-voting facility

Details of the special resolution passed in the last year through postal ballot and voting pattern are provided hereunder:

S. no	Special Resolution	% of Votes in favour on votes polled	% of Votes in against on votes polled
1	Approval of Article 101A of the Articles of association of the Company	96.14%	3.86%
2	To ratify "VDCL EMPLOYEE STOCK OPTION PLAN 2018" and schemes framed thereunder	92.62%	7.38%
3	Ratification to extend the benefits of "VDCL EMPLOYEE STOCK OPTION PLAN 2018" and schemes framed thereunder to eligible employees of subsidiaries of the Company	92.77%	7.23%

The Board of Directors had appointed Mr. BalaramaKrishna Desina, Practising Company Secretary (Membership No. FCS8168 CP No 22414) to act as the Scrutinizer for conducting the postal ballot through e-voting process in a fair and transparent manner.

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

c. Procedure for Postal Ballot:

As per the provisions of Section 110 and other applicable provisions, if any, of the Companies Act read together with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, ("Rules") and Listing Regulations, the Company provided e-voting facility to its shareholders to cast their votes electronically through e-voting platform of KFin Technologies Ltd. The Company completed dispatch of Postal Ballot Notice on December 10, 2021 to all the members whose names appeared in the Register of Members / List of Beneficial Owners maintained by the Company / Registrar and Share Transfer Agent / Depositories respectively as at close of business hours on Friday, December 03, 2021, (the "Cut-off date") and whose e-mail addresses were registered with the Company / Registrar and Share Transfer Agent / Depositories. The e-Voting commence at 9:00 A.M. (IST) on Monday, December 13, 2021 and ended on Tuesday, January 11, 2022 at 5:00 P.M. (IST). The Company also published a notice in Newspapers regarding completion of dispatch

of postal ballot notice. The scrutinizer submitted the report after completion of the scrutiny and the results of voting by postal ballot were then announced. The voting results were communicated to the Stock Exchanges besides being displayed on the website of the Company, i.e. www.vijayadiagnostic.com and on the website of KFinTech at <https://evoting.kfintech.com>

VI. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are intimated to the Stock Exchanges immediately after the Board meeting at which they were approved. The results are published in one national English newspaper (usually Financial Express) and in one Telugu newspaper (usually Nava Telangana) having wide circulation. The results were also placed on the Company's website at www.vijayadiagnostic.com

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

The Company organizes quarterly investor earnings call(s) to discuss the financial results and investor queries were answered by the Senior Management of the Company during such call. The audio recording and transcripts of the said earnings calls were disclosed to the Stock Exchanges and hosted on our website viz. www.vijayadiagnostic.com.

All the official news releases will be displayed at website of the Company.

VII. GENERAL SHAREHOLDER INFORMATION

i. **CIN :** L85195TG2002PLC039075

ii. **AGM date, time and venue**

Wednesday, September 28, 2022 at 03:00 p.m. (IST) through Video Conferencing/Other Audio visual Means ("VC/OAVM") facility

iii. **Financial year**

The Company follows financial year from April 1, to March 31. The current financial year of the Company is April 1, 2021 to March 31, 2022.

iv. **Dividend payment date**

The final dividend if approved by the shareholders at the ensuing AGM, will be paid on or before October 27, 2022.

v. **Stock Exchanges where company's share are listed and Scrip code**

National Stock Exchange of India Limited - Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra

(East), Mumbai - 400 051 Trading Symbol – VIJAYA

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

vi. Listing fee:

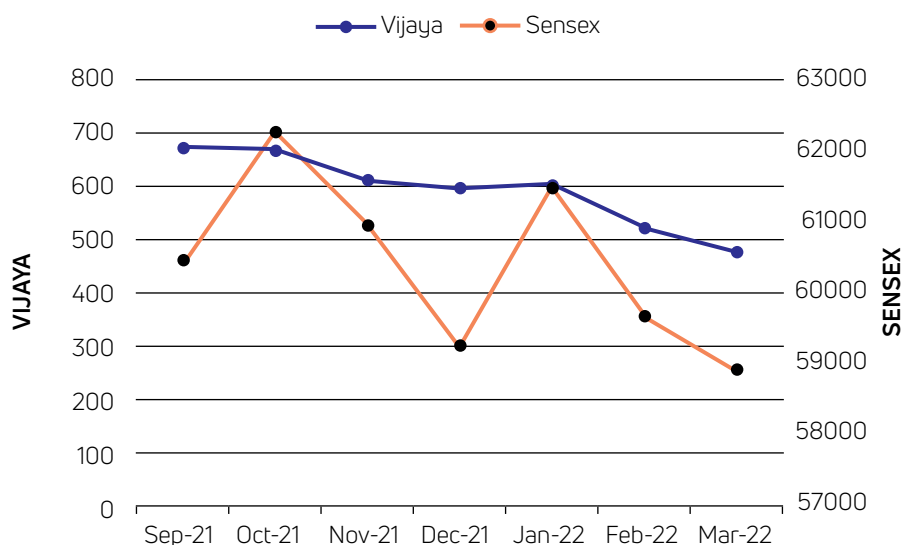
The Annual Listing fees for the financial year 2021-22 have been paid to the respective Stock Exchanges

vii. Market price of Company's shares and its comparison with broad based indices.

The shares of the Company got listed at NSE and BSE on September 14, 2021. Accordingly, the data with respect to high and low market price of Company's shares are provided from September 2021 to March 2022.

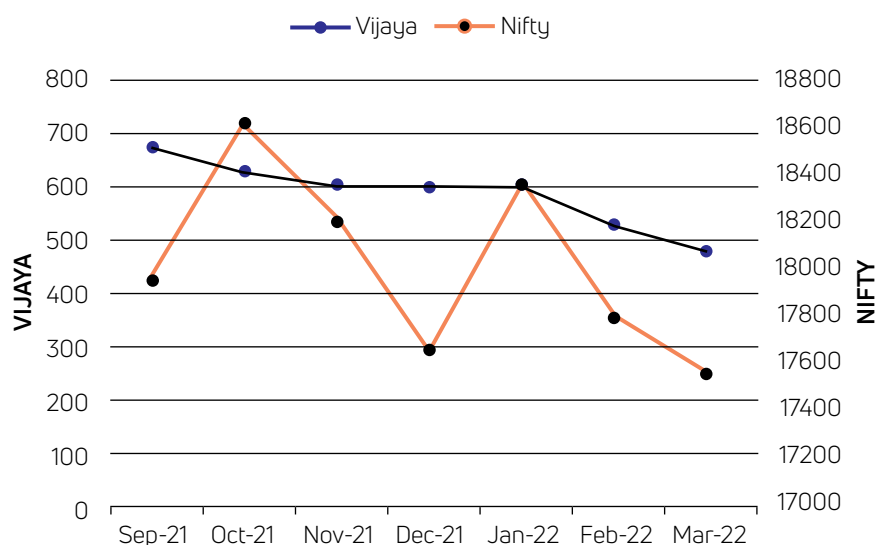
The high and low prices of your Company's shares traded at BSE and its comparison with BSE SENSEX for the financial year 2021-22 are provided under:

Month (2021-22)	Vijaya		SENSEX	
	High	Low	High	Low
September, 2021	671	533.65	60412.32	57263.9
October, 2021	672.50	545	62245.43	58551.14
November, 2021	602.95	550	61036.56	56382.93
December, 2021	599	504.70	59203.37	55132.68
January, 2022	601.50	493.10	61475.15	56409.63
February, 2022	521.55	374.65	59618.51	54383.2
March, 2022	476.40	391.45	58890.92	52260.82



The high and low prices of your Company's shares traded at NSE and its comparison with Nifty 50 for the financial year 2021-22 are provided under:

Month (2021-22)	Vijaya		NIFTY	
	High	Low	High	Low
September, 2021	672	532.50	17947.65	17055.05
October, 2021	630	542	18604.45	17452.9
November, 2021	602.95	537.10	18210.15	16782.4
December, 2021	599.45	505.20	17639.5	16410.2
January, 2022	601	492.20	18350.95	16836.8
February, 2022	522.95	373.80	17794.6	16203.25
March, 2022	477	391	17559.8	15671.45



viii. Suspension of shares of the Company from trading

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

ix. Registrar and Share Transfer Agent

KFin Technologies Limited

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

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

x. Share Transfer System, Dematerialisation of shares and liquidity

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

xi. Distribution of shareholding:

Distribution of shareholding as on March 31, 2022 is as given below;

Sl No	Category (Amount)	No of Cases	% of Cases	Total Shares	Amount	% of Amount
1	1-5000	79232	99.8324	3662021	3662021	3.5914
2	5001- 10000	44	0.0554	339248	339248	0.3327
3	10001- 20000	13	0.0164	197336	197336	0.1935
4	20001- 30000	5	0.0063	138549	138549	0.1359
5	30001- 40000	1	0.0013	35405	35405	0.0347
6	40001- 50000	2	0.0025	97390	97390	0.0955
7	50001- 100000	15	0.0189	1068884	1068884	1.0483
8	100001 & Above	53	0.0668	96427093	96427093	94.568

xii. Categories of Shareholders as on March 31, 2022:

S. No.	Descriptions	No. of Cases	Total Shares	% Equity
1.	MUTUAL FUNDS	9	13131012	12.88
2.	FOREIGN PORTFOLIO - CORP	54	28668392	28.12
3.	TRUSTS	2	2002	0.00
4.	PROMOTER GROUP	12	22430426	22.00
5.	ALTERNATIVE INVESTMENT FUND	1	192814	0.19
6.	RESIDENT INDIVIDUALS	76818	3836534	3.76
7.	NON RESIDENT INDIANS	524	53813	0.05
8.	CLEARING MEMBERS	37	34509	0.03
9.	PROMOTER INDIVIDUALS	1	33422899	32.78
10.	QUALIFIED INSTITUTIONAL BUYER	2	18076	0.02
11.	NON RESIDENT INDIAN NON REPATRIABLE	276	30140	0.03
12.	BODIES CORPORATES	44	77221	0.08
13.	NBFC	1	5600	0.01
14.	H U F	1240	62488	0.06
	TOTAL	79,021	10,19,65,926	100.00

xiii. Outstanding GDR/ADR/warrants or any convertible instruments, conversion date and likely impact on equity

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

xiv. Commodity price risk or foreign risk and hedging activities:

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

xv. Plant Locations:

The Company does not have any manufacturing or processing plants.

The Company is into providing diagnostic service and has diagnostic centres at various locations in the states of Telangana, Andhra Pradesh, West Bengal and, NCR.

xvi. Address for correspondence

Registered Office

3-6-16 & 17, Street No.19 Himayatnagar Hyderabad 500029, Telangana, India.

Corporate Office

No.6-3-883/F, FPA Building, Near Rajiv Gandhi Statue Lane, Adjacent to Topaz building, Hyderabad 500082 Telangana, India

xvii. Credit Ratings

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

VIII. Other Disclosures

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company

All related Party Transactions that were entered into during the year under review, were in the ordinary course of business and on at Arm's Length basis. During the year under review, Company didn't not enter into any materially significant related party transactions that may have potential conflict with the interests of the Company.

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

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

C. Disclosure of vigil mechanism/ whistle blower policy and access to the Audit committee

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

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

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

E. Policy for determining material subsidiaries

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

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

F. Policy on dealing with related party transactions

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

G. Proceeds of preferential issues and qualified institutional placement

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

During the year under review, the Company had undertaken IPO for the purpose of "Offer for Sale" of shares by promoter and investors. However the Company did not raise any funds from public.

H. Certificate from a Company Secretary in Practice

A certificate from Mr. D Balarama Krishna, Company Secretary in Practice have been obtained certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority and the same is annexed herewith as **Annexure A** to this Report.

I. Recommendations of the Committees

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

J. Statutory Auditor Fee

The total fee paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which Statutory Auditor is a part, for all the services during the Financial Year 2021 -22 is ₹ 73.16 lakhs excluding fees paid towards IPO services..

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

Number of complaints filed during the financial year	2
Number of complaints disposed of during the financial year	1
Number of complaints pending as on end of the financial year	1*

*Complaint has been disposed of as on date of this report.

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

As on March 31, 2022, Company has given a loan of ₹ 5.75 cr to Medinova Diagnostic Services Ltd, Subsidiary Company, and ₹ 1.05 cr to Doctors lab Medical Services Private Limited, Subsidiary Company, in which directors are deemed to be interested.

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

Internal auditors submit their report directly to Audit Committee.

There were no qualifications in the Standalone and the Consolidated Financial Statements of the Company for the financial year ended March 31, 2022.

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

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

P. Disclosures with respect to unclaimed Suspense Account.

a. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year :	0
b. Number of shareholders who approached listed entity for transfer of shares from suspense account during the year :	9
c. Number of shareholders to whom shares were transferred from suspense account during the year :	9
d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year :	0
e. That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	Not applicable

IX. Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' (the Code) for all the Board members and the senior management personnel of the Company and this Code is hosted on the website of the Company. All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct for the Financial Year 2021-22.

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

X. Certificate on Corporate Governance

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

XI. CEO/CFO Certification

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

BY ORDER OF THE BOARD
For **Vijaya Diagnostic Centre Limited**
(formerly known as Vijaya Diagnostic Centre Pvt Limited)

Place: Hyderabad
Date: May 26, 2022

Dr. Sura Surendranath Reddy
Executive Chairman
DIN: 00108599

Annexure A

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

To,

The Members of,

Vijaya Diagnostic Centre Limited

CIN: L85195TG2002PLC039075

Hyderabad.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vijaya Diagnostic Centre Limited having CIN: L85195TG2002PLC039075 and having registered office at 3-6-16 & 17, Street No.19, Himayatnagar, Hyderabad, Telangana - 500029 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

* The date of appointment is as per MCA portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F008168D000398800

Balaramakrishna Desina

Company Secretary in Practice

DIN: 00108599

M. No.: FCS 8168

C.P No.: 22414

Peer Reviewed UIN. 12019TL1988700

Place: Hyderabad

Date: 26.05.2022

Annexure B

DECLARATION

I, S Suprita Reddy, Chief Executive Officer of the Company, hereby declare that as provided under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2022.

For **Vijaya Diagnostic Centre Limited**
(formerly known as Vijaya Diagnostic Centre Pvt Limited)

Place: Hyderabad
Date: 26.05.2022

S Suprita Reddy
Chief Executive Officer

Annexure C

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

UNDER REGULATION 34(3) - SCHEDULE V - (E) OF SEBI (LODR) REGULATIONS, 2015

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

I have examined the compliance of the conditions of Corporate Governance by Vijaya Diagnostic Centre Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended on March 31, 2022.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F008168D000398888

Balaramakrishna Desina
Company Secretary in Practice
DIN: 00108599
M. No.: FCS 8168
C.P No.: 22414
Peer Reviewed UIN. 12019TL1988700

Place: Hyderabad
Date: 26.05.2022

Annexure D

COMPLIANCE CERTIFICATE

To
The Board of Directors
Vijaya Diagnostic Centre Ltd

We hereby certify that;

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee, wherever applicable;
- (1) There haven't been any significant changes in internal control over financial reporting during the financial year ended March 31, 2022
 - (2) There haven't been any significant changes in accounting policies during the financial year ended March 31, 2022 and that the same have been disclosed in the notes to the financial statements
 - (3) There haven't been any Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **Vijaya Diagnostic Centre Limited**

S Suprita Reddy
Chief Executive Officer

Narasimha Raju KA
Chief Financial Officer

Place: Hyderabad
Date: 26.05.2022

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Board of Directors presents the Business Responsibility Report of the Company for the Financial Year ended on March 31, 2022.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L85195TG2002PLC039075
2. Name of the Company	Vijaya Diagnostic Centre Limited
3. Registered Address	3-6-16 & 17, Street No.19 Himayatnagar Hyderabad 500029, Telangana, India
4. Website	www.vijayadiagnostic.com
5. E-mail id	ir@vijayadiagnostic.in
6. Financial Year reported	April 01, 2021 – March 31, 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Human Health activities Industrial activity code: 86905*
8. List three key products/services that the Company manufactures/provides (as mentioned in balance sheet)	The Company is engaged in the business of providing comprehensive diagnostic services, spanning pathological investigations, basic and high end radiology/imaging services including, nuclear medicine.
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations	The Company doesn't have any International Locations.
(b) Number of National Locations	Telangana, Andhra Pradesh, West Bengal, and NCR.
10. Markets served by the Company – Local / State / National / International	95 centres in Telangana, Andhra Pradesh, West Bengal and NCR

*As per National Industrial Classification made by Ministry of statistics & Programme Implementation.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹ Lakhs)	₹ 1019.66
2. Total Turnover (₹ Lakhs)	₹ 45,087.93
3. Total Profit after taxes (₹ Lakhs)	₹ 10,810.47
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	The Company's total spending on CSR for the financial year 2021-22 is ₹ 175.50 Lakhs which is 1.62% of standalone profit after taxes.
5. List of activities in which expenditure in 4 above has been incurred:	Please refer to "Annual Report on CSR Activities" attached as Annexure to the board's Report, forming part of the Annual Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes, as on March 31, 2022, the Company has five (5) subsidiary companies (including step down subsidiaries), the details of the same have been provided in another section of the Annual Report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Given the current size and scale of operations, subsidiary companies as of now do not participate in BR initiative of the Company.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company doesn't mandate its suppliers/vendors to participate in the BR initiatives of the Company. However, they are advised to adopt such practices.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies

The Managing Director/Chief Executive Officer, of the Company shall be responsible for ensuring that the policy is implemented throughout the Company.

- (b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Ms. S Suprita Reddy
3.	Designation	Chief Executive Officer
4.	Telephone number	040 2342 0411
5.	e-mail id	ir@vijayadiagnostic.in

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

The National Voluntary Guidelines ('NVGs') on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in Consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Policies are based on National voluntary guidelines on Social, Environment and Economic Responsibilities of business issued by Ministry of corporate Affairs.								
4.	Has the policy being approved by the Board? \Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be Viewed online?	https://www.vijayadiagnostic.com/userui/inv/Business-Responsibility-Policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

The policies formulated by the Company are materially in Compliance with all mandatory/applicable laws, rules, regulations, guidelines and standards.

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)

The Business Responsibility performance of the Company is assessed on an annual basis.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, Business Responsibility Report is published annually and forms part of the Company's Annual Report. The said Report can be accessed at the website of the Company at www.vijayadiagnostic.com.

employees). The Company advises the Group/Suppliers/ Contractors/Others etc. to adopt the aforesaid policy, wherever possible.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No material complaints were received during the Financial Year 2021-22 relating to ethics, bribery or corruption.

PRINCIPLE 2 : SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The Company provides Diagnostic Services, which has no social or environmental concerns / risks / opportunities. Being conscious on environmental concerns, we are always committed to reduce the impact on the environment while we deliver our services to customers, without compromising on quality of our deliverables. As part of such measures, we do buy advanced radiology and/or laboratory equipment which emits lesser radiation & co2 and also reduces the exposure of patient to the radiation and higher echo while undergoing medical diagnostic procedures.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

As briefed at point 1 of Principle 2, the Company doesn't provide any of the services whose design has incorporated

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: ETHICS, TRANSPERANCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

The policy relating to ethics, bribery and corruption is primarily applicable to the Company. Company have Code of Conduct ("CoC") which outline the expected standards of ethical conduct applicable to all our employees, Board of Directors and those acting on behalf of the Company (such as vendors, suppliers, consultants, agents, etc. and their

social, environmental concerns/risks and/or opportunities. Accordingly providing the details in respect of resource use for such services are not applicable.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Over a period of four decades, the Company has maintained good and sustained relationship with all its vendors and suppliers, which aids in having sustainable supply of goods, equipment, materials and other resources etc. While we have strong bond with existing vendors, we also strive to have association with new vendors or suppliers to equip ourselves with the latest technology, upgradations, resources etc. Company do have established procedures in finalizing a vendor considering factors such as quality of the product/service, ethical practices, competitive pricing and experience of the Vendor etc.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The category of goods and services we procure can be categorized into medical and non-medical. All the goods, equipment, consumables, services etc relating to medical, will be procured from the renowned companies of national and international repute or their local distributors/stockist with a sole intention of not comprising in the quality of services we deliver to our customers. Whereas the non-medical goods and services will be procured from the local vendors or the local distributors/stockiest etc which meets our criteria of quality and cost.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

During the process of rendering services, bio-medical waste might be generated at the laboratories and the centres and the Company does not have any mechanism for recycling Bio-medical waste by its own. The Company engages the Vendor/Agency who is duly authorised by the State Pollution Control Board to collect, handle, treat, recycle and dispose off the bio medical waste in the authorised treatment plant.

PRINCIPLE 3 : PROMOTE WELL BEING OF THE EMPLOYEES

- Please indicate the Total number of employees: 1818
- Please indicate the Total number of employees hired on temporary/contractual/casual basis/trainees: 1024
- Please indicate the Number of permanent women employees: 692

- Please indicate the Number of permanent employees with disabilities : -
- Do you have an employee association that is recognized by management.: No
- What percentage of your permanent employees is members of this recognized employee association? Not applicable
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	2	1*
3.	Discriminatory employment	0	0

*Complaint is disposed as on date of this report.

- What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Category	Skill & Safety Training
Permanent Employees	79.32%
Permanent Women Employees	92.00%
Casual/Temporary/Contractual Employees /Trainees	49.32%
Employees with Disabilities	-

PRINCIPLE 4 : STAKEHOLDER ENGAGEMENT

- Has the Company mapped its internal and external stakeholders? Yes/No

Yes. Company as part of Organizational review process, proactively interact with its internal and external stakeholders, to keep itself updated on the latest developments, technologies and trends in the sector, provide feedback to the suppliers, obtain feedback from the customers about the services we deliver and try to understand the needs of all the stakeholders to improve our deliverables, identify opportunities and emerging risk etc.

- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? Any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders

As we expand our footprint and grow in operations, we strive to benefit few sections of people in society or community by way of providing few diagnostic services at lower prices under Central and State Government Healthcare schemes, Senior citizens, NGOs etc. At the same time, we incorporate the needs of the community/sector in which we operate as part of our business operations. For instance by conducting various campaigns and webinars at various para medical institutions and universities, thereby creating awareness among the paramedical students in the rural and remote areas. Further Company as a CSR initiative, imparts skill training to paramedics more specifically laboratory technicians, radiology and imaging technicians and soft skill etc. thereby creating employment opportunities to the youth from rural and remote areas.

PRINCIPLE 5 : HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Policy on Human rights is applicable only to the Company. However, the Company encourage its business partners and third parties with whom it conducts business to abide by this policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company did not receive any complaint during the financial year, in respect of violation of human rights. Our Company constantly seeks to understand the needs of the customers and obtain feedback from the customers and strives to ensure that the customers are kept informed and engaged with the services.

PRINCIPLE 6 : ENVIRONMENT

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Policy covers only the Company. However, the Company proactively persuades and supports the Group/ Subsidiary companies/Contractor/Suppliers etc. to adopt this policy.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company does not have any specific initiative to address the global environmental issues such as climate change or global warming. Company in an endeavor to have sustainable environment undertake few initiatives such as using equipment that emits less radiation, using LED lights,

inverter AC's at certain work stations, optimization of paper usage, digitization of records etc.

3. Does the Company identify and assess potential environmental risks? Y/N

Company takes utmost care while rendering the services to the customers and regularly assess to ensure that its operations doesn't pose any environmental risks/ concerns. Company also handle and dispose the bio medical waste generated during the services in the manner prescribed under applicable Bio medical disposal rules and regulations.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No the Company doesn't have any project related to clean development mechanism.

5. Has the Company has not undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

No, the Company has not undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Bio Medical Waste generated by the Company is within the permissible limits.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

The Company hasn't received any show cause/ legal notices from CPCB/SPCB during the year under review.

PRINCIPLE 7 : POLICY ADVOCACY

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

During the year the Company is member of Confederation of Indian Industry ("CII")

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

During the year under review, we haven't advocated /lobbied through the above associations for any of the issues.

PRINCIPLE 8 : EQUITABLE DEVELOPMENT

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Company is a socially responsible organization with focus on integrating our business operations with the programme for serving certain sections of the community. In principle, we believe that we can achieve our growth in a responsible manner while addressing the needs of the sector in which we operate. Company has been at the forefront in conducting impactful camps and driving numerous workshops, webinars across various social media platforms, educational institutions etc. to bring health awareness among people at different sections of the Society. We as a CSR initiative strive to bridge the skill gap, identify and impart skill training to the youth from backward areas particularly in North Eastern areas and low income families etc., thereby transforming the youth into certified, skilled, self-reliant young men, ready to join the workforce and support themselves and their families. Further Company, from time to time, provide requisite infra facilities and medical equipment to provide basic infra and medical needs to under privileged patients who arrive to the government hospitals.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Programmes are undertaken through in house teams.

3. Have you done any impact assessment of your initiative?

Company hasn't done any impact assessment of any of the initiatives.

4. What is your Company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken.

Please refer to the "Report on CSR Activities" attached as annexure to the Board's Report, forming part of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain.

The Company undertakes its CSR activities after assessing the needs of the community in which Company operates and ensures that its initiatives are successfully adopted by the community.

PRINCIPLE 9 : CUSTOMER VALUE

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

There are two consumer cases/customer complaints outstanding as at the end of Financial Year and the same are sub-judice.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

The Company is engaged into providing diagnostic services. Hence, the above requirements are not applicable to the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

The Company had initiated digital way of obtaining feedback from the customers. After each transaction, feedback link goes to the customer's registered mobile number where they can rate or provide the feedback on services of the Company. Further Company obtain feedback from customers in physical forms and google reviews etc.

Company has repository of such feedbacks and share insights to the respective team for better and improved services to the customers.

BY ORDER OF THE BOARD

For **Vijaya Diagnostic Centre Limited**

(formerly known as Vijaya Diagnostic Centre Pvt. Limited)

Dr. Sura Surendranath Reddy

Executive Chairman

DIN: 00108599

Place: Hyderabad

Date: May 26, 2022

INDEPENDENT AUDITORS' REPORT

To the Members of
Vijaya Diagnostic Centre Limited
(Formerly known as 'Vijaya Diagnostic Centre Private Limited')

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Vijaya Diagnostic Centre Limited (Formerly known as 'Vijaya Diagnostic Centre Private Limited') (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matter

Revenue Recognition

Refer note 3A of the summary of significant accounting policies and note 14 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from diagnostics services is recognized at a point in time when the tests are conducted and samples are processed.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:
The Company's revenue relates to sales through large number of diagnostic centres with high volume of sales that are made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately and which highlights the criticality of sound internal processes of summarising and recording sales revenue to mitigate error and fraud risk.	1. We obtained an understanding of the systems, processes and controls implemented by the Company. We evaluated the design and implementation and the operating effectiveness of key internal financial controls with respect to revenue recognition including those related to the reconciliation of sales to cash / credit card receipts
There is also risk of unapproved sales price being charged to patients, on account of high volume of transactions which may result into misstatement in revenue recognition.	2. We tested the reconciliation of revenue generated through cash / credit card and the amount deposited into the bank statements.
In view of the above, we identified revenue recognition as a key audit matter.	3. We performed substantive testing on samples selected using statistical sampling of revenue transactions recorded during the year by testing the underlying documents to assess whether criteria for revenue recognitions are met. Further, we verified the accuracy of the sales price by comparing the rates with the approved price list and discount policy.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
	<ol style="list-style-type: none"> 4. We tested the periodic reconciliation of revenue as per the billing system to the revenue recorded as per the accounting records. Further, we tested the reconciliation of revenue recognised with statutory filings (Goods and Services Tax returns); 5. We tested sample journal entries affecting revenue recognised during the year selected based on specified risk-based criteria, to identify unusual items. 6. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. 7. We assessed the adequacy of disclosures in respect of revenue in the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies;

making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud

or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements

of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 01 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 22 to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Company has neither declared nor paid any dividend during the year.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231 W/W- 100024

Amit Kumar Bajaj

Partner

Membership No. 218685

UDIN:22218685AJQPPI9089

Place: Hyderabad

Date: 26 May 2022

ANNEXURE A

to the Independent Auditor's Report on the standalone financial statements of Vijaya Diagnostic Centre Limited (formerly known as 'Vijaya Diagnostic Centre Private Limited') for the year ended 31 March 2022

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to 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 any guarantee or security, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted an unsecured loan to a company during the year, in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loan to a subsidiary as below:

Particulars	Aggregate amount during the year	Balance outstanding as at balance sheet date
Loan given to subsidiary	INR 725 lakhs	INR 575 lakhs

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated. However, the same is not due as at 31 March 2022. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more

than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of the services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) In respect of statutory dues:
 - (a) The Company does not have a 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 Goods and Services Tax ('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 GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no 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, except for the following:

Name of the statute	Nature of the dues	Amount (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs duty, interest and penalty	17.71	FY 2006-07	CESTAT, West Zonal bench, Mumbai

- (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, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investments in any associate or joint venture (as defined under the Act)
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). However, the Company has been listed by way of an offer for sale listing. 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) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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.

- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) 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 ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231 W/W- 100024

Amit Kumar Bajaj

Partner

Place: Hyderabad

Date: 26 May 2022

Membership No. 218685

UDIN:22218685AJQPPI9089

ANNEXURE B

to the Independent Auditors' report on the standalone financial statements of Vijaya Diagnostic Centre Limited (Formerly known as 'Vijaya Diagnostic Centre Private Limited') for the period ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Vijaya Diagnostic Centre Limited (Formerly known as 'Vijaya Diagnostic Centre Private Limited') ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone

financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to standalone financial statements include those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone

financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231 W/W- 100024

Amit Kumar Bajaj

Partner

Place: Hyderabad

Date: 26 May 2022

Membership No. 218685

UDIN:22218685AJQPPI9089

STANDALONE BALANCE SHEET

as at March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	4(a)	18,410.71	13,396.83
(b) Capital work-in-progress	4(b)	3,410.10	818.21
(c) Right-of-use assets	4(c)	16,715.25	12,600.07
(d) Investment properties	4(d)	1,110.57	-
(e) Other intangible assets	5	135.03	60.05
(f) Intangible assets under development	5	6.84	123.63
(g) Financial assets			
(i) Investments	6 (a)	487.35	487.35
(ii) Loans	6 (c)	575.00	-
(iii) Other financial assets	6 (f)	740.86	1,203.67
(h) Deferred tax assets (net)	7	826.98	580.41
(i) Non-current tax assets (net)	21 (d)	3.73	24.26
(j) Other non-current assets	9	2,227.81	610.95
Total non-current assets		44,650.23	29,905.43
II Current assets			
(a) Inventories	8	409.99	249.79
(b) Financial assets			
(i) Investments	6 (a)	5,423.55	2,762.73
(ii) Trade receivables	6 (b)	948.67	663.67
(iii) Cash and cash equivalents	6 (d)	1,039.02	631.32
(iv) Bank balances other than (iii) above	6 (e)	17,566.48	18,223.50
(v) Loans	6 (c)	104.97	104.97
(vi) Other financial assets	6 (f)	535.12	509.91
(c) Other current assets	9	405.14	264.01
Total current assets		26,432.94	23,409.90
TOTAL ASSETS (I + II)		71,083.17	53,315.33
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	10 (a)	1,019.66	453.19
(b) Other equity	10 (b)	45,978.38	35,601.72
Total equity		46,998.04	36,054.91
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4(c)	17,025.97	12,647.22
(ii) Other financial liabilities	11 (b)	-	21.79
(b) Provisions	12	712.04	705.09
(c) Other non-current liabilities	13	11.65	5.30
Total non-current liabilities		17,749.66	13,379.40
III Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4(c)	1,256.83	1,010.24
(ii) Trade payables	11 (a)		
Total outstanding dues of micro enterprises and small enterprises		15.59	26.83
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,023.67	2,000.43
(iii) Other financial liabilities	11 (b)	2,451.38	418.78
(b) Provisions	12	154.65	58.58
(c) Current tax liabilities (net)	21 (d)	89.66	146.84
(d) Other current liabilities	13	343.69	219.32
Total current liabilities		6,335.47	3,881.02
Total liabilities (II + III)		24,085.13	17,260.42
TOTAL EQUITY AND LIABILITIES (I + II + III)		71,083.17	53,315.33
Corporate information	1		
Summary of significant accounting policies	2 & 3		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 26, 2022

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 26, 2022

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
1 Income			
(a) Revenue from operations	14	45,087.93	36,731.59
(b) Other income	15	1,291.71	1,083.12
Total income		46,379.64	37,814.71
2 Expenses			
(a) Cost of materials consumed	16	6,895.21	5,551.05
(b) Employee benefits expense	17	6,867.66	5,570.53
(c) Finance costs	19	1,625.56	1,481.23
(d) Depreciation and amortisation expense	18	5,213.65	4,972.96
(e) Other expenses	20	11,339.48	9,280.32
Total expense		31,941.56	26,856.09
3 Profit before tax (PBT) (1-2)		14,438.08	10,958.62
4 Tax expense	21		
(a) Current tax		3,902.00	3,150.00
(b) Deferred tax		(253.00)	(450.00)
(c) Adjustment of tax related to earlier years		(21.39)	(23.53)
Total tax expense		3,627.61	2,676.47
5 Profit for the year [3 - 4]		10,810.47	8,282.15
6 Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
(a) Remeasurement gain on defined benefit obligations		25.53	4.66
(b) Income tax effect on above	21	(6.43)	(1.17)
Other comprehensive income for the year (net of income tax)		19.10	3.49
7 Total comprehensive income for the year [5 + 6]		10,829.57	8,285.64
8 Earnings per equity share (face value of Re. 1 each, fully paid)	23		
– Basic (in ₹)		10.60	8.12
– Diluted (in ₹)		10.54	8.12
Corporate information	1		
Summary of significant accounting policies	2 & 3		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 26, 2022

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

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Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

Place: Hyderabad

Date: May 26, 2022

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	14,438.08	10,958.62
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortisation expense	5,213.65	4,972.96
Net (gain)/loss on sale/ retirement of property, plant and equipment	(40.42)	(15.63)
Interest income	(990.24)	(917.89)
Profit on sale of mutual fund investments	(47.62)	(15.68)
Provision for credit impaired receivables	–	27.93
Provision for doubtful advances	43.63	
Employee stock option expense	113.56	19.55
Fair value movement on financial instruments	(136.25)	(32.87)
Finance costs	1,470.56	1,312.66
Liability no longer required written back	(21.35)	(95.94)
Operating profit before working capital adjustments	20,043.60	16,213.71
<u>Working Capital adjustments:</u>		
(Increase)/Decrease in trade receivables	(293.55)	185.11
(Increase)/Decrease in inventories	(160.20)	19.43
(Increase) in other financial assets	(288.09)	(8.52)
(Increase) in other assets and deposits	(564.11)	(270.64)
Increase in trade payables	33.38	226.32
Increase/(Decrease) in provisions and other liabilities	181.81	(29.38)
Increase/(Decrease) in other financial liabilities	515.56	(435.11)
Net cash generated / (used) from operating activities	19,468.40	15,900.92
Income tax paid, net	(3,917.26)	(3,117.09)
Net cash inflow from operating activities	15,551.14	12,783.83
B Cash flows from investing activities		
Acquisition of property, plant and equipment, Capital work-in-progress (CWIP), Other Intangible assets and Intangible assets under development (including capital advances and capital creditors)	(12,209.93)	(3,194.93)
Proceeds from sale of property, plant and equipment	141.39	90.44
Redemption of debt oriented liquid mutual funds, net	(2,476.94)	2,626.06
Deposits placed having original maturity of more than 3 months, net	1,243.94	(12,993.15)
(Investment)/redemption of margin money deposits, net	(2.01)	(0.36)
Loans given to subsidiaries	(725.00)	147.44
Loans repaid from subsidiaries	150.00	–
Interest received	1,206.78	442.17
Net cash outflow from investing activities	(12,671.77)	(12,882.33)
C Cash flows from financing activities		
Repayment of long-term borrowings	–	(2,790.00)
Payment of lease liabilities	(2,471.67)	(1,896.53)
Interest paid	–	(132.18)
Net cash outflow from financing activities	(2,471.67)	(4,818.71)
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	407.70	(4,917.21)
Cash and cash equivalents at the beginning of the year	631.32	5,548.53
Cash and cash equivalents at end of the year	1,039.02	631.32

Note:

- (a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(b) Cash and cash equivalents as per above comprise of the following:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	53.58	79.76
Balances with banks		
- in current accounts	985.44	551.56
- in deposit accounts with original maturity period of 3 months or less	–	–
Total cash and cash equivalents (refer note 6(d))	1,039.02	631.32

c) Reconciliation between opening and closing balances in the balance sheet for liabilities and financial assets arising from financing activities for movement in standalone statement of cash flows are given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Movement in financial liabilities:		
Opening balance		
Non-current borrowings	–	2,790.00
Current borrowings	–	–
Lease liabilities	13,657.46	12,838.62
Interest accrued but not due on borrowings	–	10.85
Movement		
Cash flows	(2,471.67)	(4,818.71)
Interest expense	1,423.76	1,262.63
Other non-cash movements		
- Additions / Disposals to lease liabilities (net)	5,673.26	1,574.07
Closing balance		
Non-current borrowings	–	–
Current borrowings	–	–
Lease liabilities	18,282.80	13,657.46
Interest accrued but not due on borrowings	–	–

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 26, 2022

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 26, 2022

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Reserves and surplus					Total
	Equity share capital	General reserve	Share based payments reserve	Securities premium	Retained earnings	
As at April 01, 2020	453.19	493.20	63.18	5,156.75	21,583.40	27,749.72
Total comprehensive income for the year ended March 31, 2021						
Profit for the year	—	—	—	—	8,282.15	8,282.15
Other comprehensive income, net of tax	—	—	—	—	3.49	3.49
	—	—	—	—	8,285.64	8,285.64
Share based payment (Refer note 29)	—	—	19.55	—	—	19.55
As at March 31, 2021	453.19	493.20	82.73	5,156.75	29,869.04	36,054.91
Total comprehensive income for the year ended March 31, 2022						
Profit for the year	—	—	—	—	10,810.47	10,810.47
Other comprehensive income, net of tax	—	—	—	—	19.10	19.10
Total comprehensive income	—	—	—	—	10,829.57	10,829.57
Share based payment (Refer note 29)	—	—	113.56	—	—	113.56
Bonus issue	566.47	—	—	(566.47)	—	—
As at March 31, 2022	1,019.66	493.20	196.29	4,590.28	40,698.61	46,998.04

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 26, 2022

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 26, 2022

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

1 Corporate Information

Vijaya Diagnostic Centre Limited (formerly known as Vijaya Diagnostic Centre Private Limited) ('the Company') is engaged in the business of providing comprehensive range of diagnostic services, spanning pathological investigations, basic and high end radiology, nuclear medicine and related healthcare services.

The Company was converted into a public limited company under the Companies Act, 2013 on March 22, 2021 and consequently, the name is changed to "Vijaya Diagnostic Centre Limited". The Company is domiciled in India on June 05, 2002 and has its registered office at # 3-6-16 & 17, Street No 19, Himayat Nagar, Hyderabad - 500 029, India and the Corporate office at # 6-3-883/F, Ground Floor of Family Planning Association of India, Panjagutta, Hyderabad - 500 082, India.

The Company has offered 35,688,064 equity shares of Re. 1 each in relation to the Initial Public Offering ('IPO') comprising of an Offer for sale of the Equity shares by certain existing shareholders of the Company. Subsequent to the IPO, the equity shares of the Company were listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') on 14 September 2021.

2 Basis of preparation and measurement

(i) Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "IND AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The standalone financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The standalone financial statements were approved by the Board of Directors and authorised for issue on 26 May 2022.

(ii) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

(iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value or amortised costs
- Net defined benefit (asset)/ liability : Fair value of plan assets less present value of defined benefit obligations
- Equity settled share based payments : Measured at fair value

(iv) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 3(K), 20 and 28 - lease classification and whether an arrangement contains a lease.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 30 - measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 6 (b) - impairment of financial assets;
- Note 4 and Note 5 - determining an asset's expected useful life and the expected residual value at the end of its life
- Note 31 - Employee share based payments, equity settled

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(v) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability"

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in Note 34- Financial Instruments

(vi) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current "

Liabilities

A liability is classified as a current when:

- it is expected to be settled in the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets and liabilities are classified as non-current as non-current assets and liabilities.
- the Company does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current."

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

3 Summary of significant accounting policies

A. Revenue recognition

i) Income from diagnostic services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis, however for institutional/ organisational customers billing is done fortnightly/monthly based on the agreement, which is consistent with market practice.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Company measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation.

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfer services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

ii) Income from sale of Privilege cards

The Company operates a discount scheme where certain 'Privilege cards' are sold to the customers against which specified discounts are given on the future diagnostic services availed by the customer for a specified period. The Company recognises revenue from the sale of such cards over the period for which the card is valid. The difference in sale consideration received and revenue recognised is recognised as deferred revenue.

B. Recognition of dividend income, interest income and rental income

Dividend income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the interest rate applicable

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.

When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument; expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition"

Rental income

Rental income from Investment property is recognised as part of Other income in profit or loss on the date on which the Company's right to receive payment is established."

C. Borrowing cost

Other borrowing costs are recognised as an expense in the period in which they are incurred.

D. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Subsequent measurement: For the purpose of subsequent measurement, financial assets are categorised as under:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

iii) Derecognition

Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

An item of Property, Plant and Equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on retirement or disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

ii) Depreciation

Depreciation is provided using the Written down value Method ('WDV') over the useful lives of the

assets as estimated by the Management based on technical evaluation, which coincide with the useful live prescribed in Schedule II to the Act. Depreciation on additions and deletions are restricted to the period of use. Assets costing below ₹ 5,000 are depreciated in full in the same year. The estimated useful lives of items of property, plant and equipment are as follows:

Asset category	Management estimate of useful life and Useful life as per Schedule II
Buildings	60 years
Plant and equipment:	
– Medical and diagnostic equipments	13 years
– Other equipments	15 years
Electrical equipments	10 years
Furniture and fixtures	10 years
Office equipments	5 years
Computers	
– Servers and networks	6 years
– End user devices such as laptops, etc.	3 years
Vehicles	8 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period including expected renewal period which ever is lower.

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iii) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on WDV method based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recent experience in the location and category of the investment property being valued.

F. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the WDV method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

G. Capital work-in-progress

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

H. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are valued at lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any. Cost is determined on First-in-First-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

I. Impairment of assets

i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash

inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

J. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The Company makes specified monthly contributions towards Government administered provident fund scheme and Employees' State Insurance ('ESI'). Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by a qualified actuary using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to

the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

K. Leases

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

Company as a Lessor:

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease."

Company as a Lessee:

The Company applied Ind AS 116 "Leases" from April 01, 2019 using the modified retrospective approach and has measured the Right of Use Asset at an amount equal to the Lease Liability adjusted for accruals and prepayments recognised in the balance sheet immediately before the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset equal to the lease liability.

Previously, the Company assessed leases at contract inception whether an arrangement is or contains a lease under Ind AS 17. Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of lease. On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after April 01, 2019.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

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.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. Right-of-use assets are measured at their carrying amount as if Ind AS 116 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease."

The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The payments for the principal portion of the lease liability and its related interest is classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

Right of use asset: 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.

Lease Liability: The Company measures the lease liability at present value of the future lease payments 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 as at the commencement of lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

L. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

M. Share based payments

Employees of the Company receive remuneration in the form of share-based payments, 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 Black Scholes valuation model. The grant date fair value of options granted to employees is recognised as employee expense with a corresponding increase in the Share based payments reserve, over the period in which the eligibility conditions are fulfilled. 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 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 dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

N. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

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.

O. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

P. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Q. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

R. Investments in subsidiaries

Investments representing equity interest in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

S. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

T. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to conceptual framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4 (a) Property, plant and equipment

Particulars	Freehold land	Buildings	Buildings on leasehold land	Leasehold improvements	Plant and equipment - Medical	Plant and equipment - others	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
A. Gross value (at cost)												
As at April 01, 2020	205.42	617.85	1,255.40	2,474.32	14,350.96	1,370.87	939.55	1,322.03	206.23	457.80	353.46	23,553.89
Additions	-	-	-	164.59	2,281.51	164.92	130.43	140.06	25.87	91.46	5.99	3,004.83
Disposals	-	-	-	-	(200.66)	(1.21)	(3.66)	-	-	-	(4.71)	(210.24)
As at March 31, 2021	205.42	617.85	1,255.40	2,638.91	16,431.81	1,534.58	1,066.32	1,462.09	232.10	549.26	354.74	26,348.48
Additions	3,542.77	-	-	710.56	2,613.38	360.76	394.43	409.49	89.66	149.07	69.85	8,339.97
Disposals	-	-	-	(12.33)	(180.90)	(4.79)	(2.57)	(0.44)	-	-	(150.47)	(351.50)
As at March 31, 2022	3,748.19	617.85	1,255.40	3,337.14	18,864.29	1,890.55	1,458.18	1,871.14	321.76	698.33	274.12	34,336.95
B. Accumulated depreciation												
As at April 01, 2020	-	86.72	422.70	1,060.85	6,084.85	536.36	457.42	547.57	133.93	301.84	170.35	9,802.59
Depreciation charge for the year	-	25.87	86.05	400.90	2,033.19	167.56	143.99	220.97	42.29	105.09	58.58	3,284.49
Disposals	-	-	-	-	(127.89)	(0.60)	(2.67)	-	-	-	(4.29)	(135.43)
As at March 31, 2021	-	112.59	508.75	1,461.75	7,990.15	703.32	598.74	768.54	176.22	406.93	224.65	12,951.65
Depreciation charge for the year	-	24.61	77.00	377.84	1,978.86	177.70	159.64	222.04	59.48	111.67	36.28	3,225.12
Disposals	-	-	-	(11.18)	(135.65)	(2.71)	(2.33)	(0.19)	-	-	(98.48)	(250.53)
As at March 31, 2022	-	137.20	585.75	1,828.41	9,833.36	878.31	756.05	990.39	235.70	518.60	162.45	15,926.23
C. Net carrying value (A-B)												
As at March 31, 2022	3,748.19	480.65	669.65	1,508.73	9,030.93	1,012.23	702.13	880.75	86.06	179.73	111.67	18,410.71
As at March 31, 2021	205.42	505.26	746.65	1,177.16	8,441.66	831.26	467.58	693.55	55.88	142.33	130.09	13,396.83

Notes:

Refer to note 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Description	March 31, 2022	March 31, 2021
Title deeds held in the name of	Vijaya Diagnostic Centre Limited	Vijaya Diagnostic Centre Limited
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	NA	NA
Reason for not being held in the name of the Company	NA	NA

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4(b) Capital work-in-progress (CWIP)

Particulars	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	818.21	926.13
Additions during the year	10,931.86	2,896.91
Less: Capitalised during the year	(8,339.97)	(3,004.83)
As at the end of the year	3,410.10	818.21

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at March 31, 2022

Ageing schedule

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	3,410.10	–	–	–	3,410.10

As at March 31, 2021

Ageing schedule

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	818.21	–	–	–	818.21

4(c) Right of use assets and lease liabilities

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, under modified retrospective transition method, and has not restated comparative information.

The Company has elected not to apply the requirements of Ind AS 116 “Leases” to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Company uses the incremental borrowing rate to discount its lease payments. The rate applied is 8.50% p.a.

(i) Movement in Right of use assets ('ROU') and Lease liabilities is given below:

Description	Right of use assets (Buildings)
Gross ROU asset	
As at April 01, 2020	13,977.17
Additions	1,705.75
Disposals	(74.89)
As at March 31, 2021 (A)	15,608.03
Additions	6,133.08
Disposals	(129.98)
As at March 31, 2022 ©	21,611.13

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4(c) Right of use assets and lease liabilities (Contd..)

Description	Right of use assets (Buildings)
Accumulated depreciation	
As at April 1, 2020	1,439.46
Depreciation for the year	1,642.10
Disposals	(73.60)
As at March 31, 2021 (B)	3,007.96
Depreciation for the period	1,912.82
Disposals	(24.90)
As at March 31, 2022 (D)	4,895.88
Net carrying amount as at March 31, 2022 ©- (D)	16,715.25
Net carrying amount as at March 31, 2021 (A)- (B)	12,600.07

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	13,657.46	12,838.62
Additions during the year	5,777.29	1,575.45
Disposal during the year	(104.04)	(1.38)
Accretion of interest	1,423.76	1,141.30
Payment of lease liabilities	(2,471.67)	(1,896.53)
Balance as at the end of the year	18,282.80	13,657.46
Lease liabilities		
– Current lease liabilities	1,256.83	1,010.24
– Non Current lease liabilities	17,025.97	12,647.22

(ii) Payments recognised as expenses and income

Particulars	As at March 31, 2022	As at March 31, 2021
Short term leases and low value assets (refer note 20)	52.46	50.45
	52.46	50.45

(iii) Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	2,703.68	2,143.19
One to five years	10,177.11	8,808.25
More than five years	15,583.96	10,091.94
	28,464.75	21,043.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4(d) Investment properties

I. Reconciliation of carrying amount

Particulars	As at March 31, 2022	As at March 31, 2021
A. Gross value (at cost)		
As at the beginning of the year	–	–
Additions during the year	1,114.77	–
Less: Disposals during the year	–	–
As at the end of the year	1,114.77	–
B. Accumulated depreciation		
As at the beginning of the year	–	–
Depreciation charge for the year	4.20	–
Disposals during the year	–	–
As at the end of the year	4.20	–
Net carrying amount	1,110.57	–
Fair value	1,307.00	–

Information regarding income and expenditure of investment properties

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income derived from Investment properties	9.00	–
Direct operating expenses (including repairs and maintenance)	–	–
Less: Depreciation	(4.20)	–
Profit arising from investment properties before indirect expenses	4.80	–

Title deeds

Description	March 31, 2022	March 31, 2021
Title deeds held in the name of	Vijaya Diagnostic Centre Limited	NA
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	NA	NA
Reason for not being held in the name of the Company	NA	NA

II. Other information

i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having a recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used."

ii) Investment property comprises of the following:

The Company has given the Investment properties located in Kolkata on an operating lease to its subsidiary 'Medinova Diagnostic Services Limited'. There are no restrictions imposed by lease agreements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

5 Other intangible assets and intangible assets under development

Particulars	Other intangible assets	Intangible assets under development
A. Gross value (at cost)		
As at April 01, 2020	265.38	36.50
Additions	2.85	87.13
(Disposals) / Capitalisation	–	–
As at March 31, 2021	268.23	123.63
Additions	146.49	29.71
(Disposals) / Capitalisation	–	(146.49)
As at March 31, 2022	414.72	6.84
B. Accumulated amortization		
As at April 01, 2020	161.81	–
Amortisation charge for the year	46.37	–
Disposals	–	–
As at March 31, 2021	208.18	–
Amortisation charge for the year	71.51	–
Disposals	–	–
As at March 31, 2022	279.69	–
C. Net carrying value		
As at March 31, 2022	135.03	6.84
As at March 31, 2021	60.05	123.63

Note: The Company does not have any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets completion schedule is not applicable.

As at March 31, 2022

Ageing schedule

Intangible assets under development	Intangible assets under development for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	6.84	–	–	–	6.84
Total	6.84	–	–	–	6.84

As at March 31, 2021

Ageing schedule

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	87.13	36.50	–	–	123.63
Total	87.13	36.50	–	–	123.63

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Investments		
Non-current		
A. Trade - Subsidiaries		
Investment in equity instruments - carried at cost or deemed cost, less provision for other than temporary impairment		
<i>Quoted</i>		
Medinova Diagnostic Services Limited [6,202,220 (March 31, 2021: 6,202,220) Equity shares of ₹ 10 each fully paid up]	411.06	411.06
<i>Unquoted</i>		
Doctors Lab Medical Services Private Limited [10,000 (March 31, 2021: 10,000) equity shares of ₹ 10 each fully paid up]	1.00	1.00
Investment in Limited Liability Partnership (LLP)		
<i>Unquoted</i>		
VDC Diagnostics (Karnataka) LLP [100% (March 31, 2021: 100%) share in capital contribution]	1,831.29	1,831.29
Less: Share of loss attributable to the Company	(1,760.00)	(1,760.00)
Net investment in LLP	71.29	71.29
Sub-total	483.35	483.35
B. Investment in others - Non-trade		
Investment in equity instruments - carried at FVOCI		
<i>Unquoted</i>		
C.R Broadcasting Hyderabad Limited [40,000 (March 31, 2021: 40,000) equity shares of ₹ 10 each fully paid up]	4.00	4.00
Sub-total	4.00	4.00
Total (A+B)	487.35	487.35
Aggregate book value of quoted investments	411.06	411.06
Aggregate book value of unquoted investments	76.29	76.29
Aggregate book value of impairment in value of investments	—	—
Aggregate market value of quoted investments	1,959.90	1,420.31
Current		
Investments at fair value through profit or loss - Quoted		
<i>Mutual funds</i>		
Aditya Birla Sunlife Floating Rate Fund - 1,12,481.50 (March 31, 2021: 221,182.96) units	318.94	606.83
Aditya Birla Sunlife Low Duration Fund - 73,574.67 (March 31, 2021: 73,574.67) units	425.53	406.18
HDFC Low Duration Fund - 805,643.61 (March 31, 2021: 805,643.61) units	401.12	383.28
IDFC Low Duration Fund - 17,30,608.49 (March 31, 2021: 3,305,908.39) units	551.38	1,013.52
Kotak Low Duration Fund - 12,724.06 (March 31, 2021: 12,724.06) units	369.20	352.92
ABSL Money Manager Fund- 2,72,525.25 (March 31, 2021: Nil) units	814.61	—
ABSL Saving Fund- 1,60,099.92 (March 31, 2021: Nil) units	712.94	—
Axis Money Market Fund- G-Direct- 79,560.23 (March 31, 2021: Nil) units	916.36	—

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets (contd...)

Particulars	As at March 31, 2022	As at March 31, 2021
Nippon India Interval Fund - Quarterly Plan- 14,22,201.68 (March 31, 2021: Nil) units	403.94	
Nippon India Money Market Fund- G-Direct- 15,207.19 (March 31, 2021: Nil) units	509.53	–
	5,423.55	2,762.73
Aggregate book value of quoted investments	5,423.55	2,762.73
Aggregate market value of quoted investments	5,423.55	2,762.73

Particulars	As at March 31, 2022	As at March 31, 2021
(b) Trade receivables		
Trade receivables- Considered good- Unsecured *	1,039.82	754.82
Less: Allowance for expected credit loss	(91.15)	(91.15)
Trade receivables- Considered good- Unsecured	948.67	663.67
Trade receivables- Credit impaired- Unsecured	60.40	60.40
Less: Allowance for credit impaired	(60.40)	(60.40)
Trade receivables- Credit impaired- Unsecured	–	–
	948.67	663.67

* Include amount receivable from related parties (refer note 30)

As at March 31, 2022

Particulars	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	703.66	245.01	–	–	–	948.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	0.19	52.04	25.94	10.91	2.07	91.15
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	–	60.40	60.40
Total	703.85	297.05	25.94	10.91	62.47	1,100.22

As at March 31, 2021

Particulars	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	651.91	11.76	–	–	–	663.67
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – credit impaired	16.66	17.25	37.03	18.64	1.57	91.15
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables – credit impaired	–	–	–	36.63	23.77	60.40
Total	668.57	29.01	37.03	55.27	25.34	815.22

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets (contd...)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Loans		
Non-current loans		
(Unsecured, considered good)		
Loans to subsidiaries (refer note 30)	575.00	–
	575.00	–
Loans to Subsidiaries		
Amount of loan or advance in the nature of loan outstanding	575.00	–
Percentage to the total loans and advances in the nature of loans	100.00%	–
Current loans		
(Unsecured, considered good)		
Loans to subsidiary (refer note 30)	104.97	104.97
	104.97	104.97
Amount of loan or advance in the nature of loan outstanding	104.97	104.97
Percentage to the total loans and advances in the nature of loans	100.00%	100.00%
(d) Cash and cash equivalents		
Cash on hand	53.58	79.76
Balances with banks		
- in current accounts	985.44	551.56
	1,039.02	631.32
(e) Other bank balances		
<i>Current</i>		
Deposits due to mature after three months but before twelve months from the reporting date * @	17,566.48	18,223.50
	17,566.48	18,223.50
@ Fixed deposit of ₹ 2,144.13 lakhs (March 31, 2021: ₹ 228.67 lakhs) under lien.		
* The deposits made with banks comprise of time deposits, which are available at call.		
(f) Other financial assets		
(Unsecured, considered good)		
Non-current		
Balances with bank held as margin money	12.37	10.36
Fixed deposits with banks, with remaining maturity of more than 12 months	–	586.92
Security deposits *	728.49	601.15
Interest accrued on bank deposits and others	–	5.24
	740.86	1,203.67
Current		
Interest accrued on bank deposits and others	209.53	471.92
Other receivables	2.33	8.56
Security deposits *	28.94	29.43
Share issues expenses receivable	294.32	–
	535.12	509.91

* Includes amount receivable from related parties (refer note 30)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

7 Deferred tax assets/(liabilities) net

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Decommissioning liability on property, plant and equipment	128.79	109.30
Leases	598.05	392.42
Employee benefits	89.34	82.90
Credit impaired debts	38.14	38.14
Others	67.80	43.87
Sub total (A)	922.12	666.63
Deferred tax liabilities		
Fair value gains from mutual funds	42.56	8.27
Property, plant and equipment and Intangible assets	52.58	77.95
Sub total (B)	95.14	86.22
Deferred tax asset/(liability), net (A-B)	826.98	580.41

Movement in deferred tax assets/ (liabilities)

On account of	Property, plant and equipment and intangible assets including decommissioning liability	Provision for employee benefits	Leases	Fair value of mutual funds	Others	Total
At April 01, 2020	15.90	81.13	179.56	(233.03)	88.01	131.57
(Charged)/credited:						
– to profit or loss	15.45	2.94	212.86	224.76	(6.00)	450.01
– to OCI	–	(1.17)	–	–	–	(1.17)
As at March 31, 2021	31.35	82.90	392.42	(8.27)	82.01	580.41
(Charged)/credited:						
– to profit or loss	44.86	12.87	205.63	(34.29)	23.93	253.00
– to OCI	–	(6.43)	–	–	–	(6.43)
As at March 31, 2022	76.21	89.34	598.05	(42.56)	105.94	826.98

There are no unrecognized deferred tax assets and liabilities as at March 31, 2022 and March 31, 2021.

8 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Reagents, chemicals, digital imaging films and consumables *	409.99	249.79
	409.99	249.79

*During the year ended March 21, 2022 ₹ Nil (March 31, 2021 : ₹ Nil) was recognised as an expense for inventories carried at net realisable value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

9 Other assets

(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	2,015.50	347.60
Less: Allowance for doubtful advances	(43.63)	–
Prepaid expenses	255.94	263.35
	2,227.81	610.95
Current		
Advances other than capital advances		
– Advance to suppliers	145.52	49.82
– Advance to employees	13.30	7.63
Prepaid expenses	246.32	206.56
	405.14	264.01

10 Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
120,500,000 equity shares of Re. 1 each (March 31, 2021: 120,500,000 equity shares of Re.1 each)	1,205.00	1,205.00
(a) Equity share capital		
Issued, subscribed and fully paid up capital		
101,965,926 equity shares of Re. 1 each (March 31, 2021: 45,318,190 equity shares of Re. 1 each), fully paid-up	1,019.66	453.19
	1,019.66	453.19

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	4,53,18,190	453.19	45,31,819	453.19
Bonus Shares issued during the year (refer note vi)	5,66,47,736	566.47	–	–
Increase in shares on account of subdivision (refer note v)	–	–	4,07,86,371	–
Shares outstanding at the end of the year	10,19,65,926	1,019.66	4,53,18,190	453.19

ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share (March 31, 2021: Re. 1 per share). Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity (Contd..)

iii) Details of shareholders holding more than 5% shares in the company

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Equity shares:				
Dr S.Surendranath Reddy	3,34,22,899	32.78%	2,68,16,030	59.17%
Fidelity Investment Trust	92,41,397	9.06%	–	–
S Suprita Reddy	91,76,933	9.00%	25,250	0.06%
K Sunil Chandra	91,06,933	8.93%	3,04,160	0.67%
Watch Advisors Inc.	80,14,649	7.86%	–	–
Axis Mutual Fund	67,60,585	6.63%	–	–
Aberdeen New India	59,42,088	5.83%	–	–
M/s. Karakoram Limited	–	–	1,74,73,950	38.56%

As per records the Company including registration of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

iv) Shares held by promoters at the end of the year

Particulars	March 31, 2022			March 31, 2021		
	Number of Shares	% of holding	% of change	Number of Shares	% of holding	% of change
Dr S.Surendranath Reddy	3,34,22,899	32.78%	–26.39%	2,68,16,030	59.17%	–
Total	3,34,22,899	32.78%	–26.39%	2,68,16,030	59.17%	–

v) Subdivision of equity shares

- On March 22, 2021 the equity shares of the Company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having a face value of Re. 1 (Rupee one only) each. Accordingly, 4,531,819 equity shares of face value of ₹ 10 each were sub divided into 45,318,190 equity shares of face value of Re. 1 each.
- The earnings per share in respect of the previous year was restated considering the aforesaid sub division of shares."

vi) During the five years immediately preceeding the year, no shares have been issued for consideration other than cash except for equity shares issued by way of bonus as provided below:

	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Allotted as fully paid up equity shares by way of bonus	5,66,47,736	–	–	–	–
Shares issued for consideration other than cash	–	–	–	–	–

The Company issued bonus shares on 27 May 2021 in proportion of five new equity shares of Re. 1 each for every four existing equity shares of Re. 1 each, resulting in total fully paid-up equity shares of 101,965,926 of Re. 1 each.

vii) For details of share reserved for issue under Employee Stock Option Plan (ESOP) of the Company, refer note 29.

(b) Other equity Reserves and surplus

Particulars	As at March 31, 2022	As at March 31, 2021
(i) General reserve	493.20	493.20
(ii) Share based payments reserve	196.29	82.73
(iii) Securities premium	4,590.28	5,156.75
(iv) Retained earnings	40,698.61	29,869.04
	45,978.38	35,601.72

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity (Contd..)

i) General reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the commencement of the year	493.20	493.20
Add: Movement during the year	–	–
Balance as at the end of the year	493.20	493.20

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

ii) Share based payments reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the commencement of the year	82.73	63.18
Add: Share options expense for the year (refer note 17)	113.56	19.55
Balance as at the end of the year	196.29	82.73

The Company has established equity settled share based payment plans for employees of the Company, refer note 29 for details on these plans.

iii) Securities premium

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the commencement of the year	5,156.75	5,156.75
Less: Movement during the year due to issue of bonus shares	(566.47)	–
Balance as at the end of the year	4,590.28	5,156.75

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the "Act".

iv) Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the commencement of the year	29,869.04	21,583.40
Add: Profit for the year	10,810.47	8,282.15
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of defined benefit obligations (net of tax)	19.10	3.49
Balance as at the end of the year	40,698.61	29,869.04

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

OCI represents remeasurement of defined employee benefit obligations: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified to statement of profit and loss.

Total Other equity (i+ii+iii+iv)	45,978.38	35,601.72
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

11 Financial liabilities

(a) Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises ('MSME') (refer note 24)	15.59	26.83
Total outstanding dues of creditors other than micro enterprises and small enterprises *	2,023.67	2,000.43
	2,039.26	2,027.26

* Includes amount payable to related parties (refer note 30)

As on March 31, 2022

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled dues	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	–	15.59	–	–	–	15.59
ii) Others	921.10	1,091.09	6.62	0.70	4.16	2,023.67
iii) Disputed Dues-MSME	–	–	–	–	–	–
iv) Disputed Dues-Others	–	–	–	–	–	–
Total	921.10	1,106.68	6.62	0.70	4.16	2,039.26

As on March 31, 2021

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled dues	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	–	26.83	–	–	–	26.83
ii) Others	689.80	1,286.80	9.05	14.78	–	2,000.43
iii) Disputed Dues-MSME	–	–	–	–	–	–
iv) Disputed Dues-Others	–	–	–	–	–	–
Total	689.80	1,313.63	9.05	14.78	–	2,027.26

(b) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred credit - medical equipment	–	21.79
	–	21.79
Current		
Employee payables	783.22	267.66
Deferred credit - medical equipment	23.39	83.05
Capital creditors	1,644.77	68.07
	2,451.38	418.78

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

12 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits:		
– Gratuity (refer note 28)	158.39	165.60
– Compensated absences	105.34	105.21
Others:		
– Decommissioning liability (refer note below)	448.31	434.28
	712.04	705.09
Current		
Provision for employee benefits:		
– Gratuity (Refer note 28)	57.58	42.69
– Compensated absences	33.65	15.89
Others:		
– Decommissioning liability	63.42	–
	154.65	58.58

Note:

Movement in Provision for others:

Decommissioning liability

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	434.28	348.43
Add: Unwinding of interest	41.29	34.84
Add: Provision created during the year	36.17	51.01
Balance as at the end of the year	511.74	434.28

13 Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred revenue	11.65	5.30
	11.65	5.30
Current		
Deferred revenue	11.80	15.69
Statutory liabilities	310.71	173.90
Others	21.18	29.73
	343.69	219.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

14 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Contracts with customers- Sale of services	45,065.94	36,705.80
Other operating revenue		
- Sale of scrap	21.99	25.79
	45,087.93	36,731.59

15 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on bank deposits and others	939.03	879.23
Interest income on financial assets carried at amortised cost	51.21	38.66
Profit on sale of mutual fund investments	47.62	15.68
Fair value gain on financial assets (mutual funds) measured at FVTPL	136.25	32.87
Net gain on sale/retirement of property, plant and equipment	40.42	15.63
Liability no longer required written back	21.35	95.94
Insurance claim received	27.18	-
Rental income	14.28	4.84
Other non-operating income	14.37	0.27
	1,291.71	1,083.12

16 Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials as at the beginning of the year (refer note 8)	249.79	269.22
Add: Purchases during the year	7,055.41	5,531.62
Less: Inventory of materials as at the end of the year (refer note 8)	(409.99)	(249.79)
	6,895.21	5,551.05

17 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	6,142.17	4,982.62
Contribution to provident and other funds (refer note 28)	330.85	290.51
Gratuity (refer note 28)	108.06	98.66
Compensated absences	57.52	22.37
Share based payments - equity settled (refer note 29)	113.56	19.55
Staff welfare expenses	115.50	156.82
	6,867.66	5,570.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

18 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 4(a))	3,225.12	3,284.49
Depreciation on Investment properties (refer note 4(d))	4.20	–
Amortisation on other intangible assets (refer note 5)	71.51	46.37
Depreciation on right of use assets (refer note 4©)	1,912.82	1,642.10
	5,213.65	4,972.96

19 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings measured at amortised cost	–	121.32
Interest expense on deferred credit purchases and decommissioning liability	46.80	50.05
Interest expense on lease liabilities (refer note 4©)	1,423.76	1,141.30
Bank charges and other borrowing costs	155.00	168.56
	1,625.56	1,481.23

20 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	1,125.14	984.96
Rent	52.46	50.45
Testing charges	145.28	458.48
Samples collection charges	404.87	320.28
Repairs and Maintenance		
a. Building	119.20	150.27
b. Plant and machinery	987.13	656.21
c. Others	157.78	161.27
House keeping expenses	574.41	467.23
Security charges	414.87	372.70
Insurance	76.92	50.79
Rates and taxes	86.04	61.97
Advertisement, publicity and marketing	164.02	134.45
Business promotion expenses	291.66	176.41
Travelling and Conveyance	202.49	120.81
Legal and professional charges (professional fees to doctor consultants and others)	5,772.49	4,480.87
Payment to auditors (refer note (i) below)	73.16	41.74
Remuneration paid to Independent Directors	53.10	–
Postage and communication	155.65	129.61
Printing and stationery	65.77	71.28
Provision for doubtful receivables	–	27.93
Provision for doubtful advances	43.63	–
Bad debts written off	–	33.16
Corporate social responsibility expenditure (refer note (ii) below)	175.50	197.71
Donations	3.32	0.75
Miscellaneous expenses	194.59	130.99
	11,339.48	9,280.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

20 Other expenses(Contd..)

Notes:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Payment to auditors (inclusive of taxes)		
As auditors		
– Statutory audit fees	59.00	37.76
– Limited review	14.16	–
For reimbursement of expenses	–	3.98
	73.16	41.74
ii. Details of corporate social responsibility expenditure		
(i) Gross amount required to be spent by the Company during the year	175.50	138.38
(ii) Amount approved by the Board to be spent during the year	175.50	138.38
(iii) Amount spent during the year (in cash)		
– construction/ acquisition of any asset	–	–
– on purpose other than above	175.50	197.71
(iv) (Shortfall) / Excess at the end of the period	–	–
(v) Total of previous years shortfall	–	–
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period should be shown separately	NA	NA
(viii) Reason for shortfall: For the period ending March 31, 2022, March 31, 2021: No shortfall"		
(ix) Nature of CSR activities:		
a) Skill development		
b) Education		
c) Healthcare		

21 Income-tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Amount recognised in statement of profit and loss		
Current tax	3,902.00	3,150.00
Deferred tax attributable to temporary differences	(253.00)	(450.00)
Tax pertaining to earlier years	(21.39)	(23.53)
Tax expense	3,627.61	2,676.47
(b) Amount recognised in other comprehensive income		
Deferred tax related to items recognised in OCI		
Deferred tax expense/(income) on remeasurements of defined benefit obligations	(6.43)	(1.17)
Income-tax expense/(income) recognised in OCI	(6.43)	(1.17)
(c) Reconciliation of effective tax rate:		
Profit before tax	14,438.08	10,958.62
Enacted tax rate in India*	25.17%	25.17%
Tax expense at enacted rates	3,633.77	2,758.07
Tax effect of:		
Others	15.64	(58.07)
Tax pertaining to earlier years	(21.80)	(23.53)
Income-tax recognised in the statement of profit and loss	3,627.61	2,676.47

* The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Company has opted for this amendment and tax rate is calculated at 22% plus applicable surcharge and cess.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

21 Income-tax expense (Contd..)

(d) The following table provides the details of income tax assets and income tax liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Income-tax assets, net	3.73	24.26
Current tax liabilities, net	(89.66)	(146.84)
	(85.93)	(122.58)

Particulars	As at March 31, 2022	As at March 31, 2021
Net current income-tax liability at the beginning of the year	122.58	113.20
Add: Current tax expense	3,902.00	3,150.00
Add: Tax pertaining to earlier years	(21.39)	(23.53)
Less: Tax paid during the year	(3,917.26)	(3,117.09)
Net income tax liability at the end of the year	85.93	122.58

22 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts	—	—

The Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

Capital and commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	5,067.60	732.34

23 Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings for the year		
Net profit for the year attributable to equity shareholders (A)	10,810.47	8,282.15
Shares		
Weighted average number of equity shares for Basic EPS (B)	10,19,65,926	10,19,65,926
Add: Effect of dilution		
- On account of outstanding employee based share based options (after bonus issue)	6,00,204	38,563
Weighted average number of equity shares for Diluted EPS ©	10,25,66,130	10,20,04,489
(a) Basic earnings per share of face value of Re. 1 each (A/B)	10.60	8.12
(b) Diluted earnings per share of face value of Re. 1 each (A/C)	10.54	8.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

24 Dues to micro enterprises and small enterprises

The details of Micro, Small and Medium Enterprises as define under the MSMED Act, 2006.

Particulars	March 31, 2022	March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
– Principal	15.59	26.83
– Interest	–	–
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/year) but without adding the interest specified under this MSMED Act;	–	–
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	–	–
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	–	–

Note: The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

25 Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows :

- (i) Details of investments made are given in Note 6(a)
- (ii) Details of the loans given by the Company is given in Note 6©

26 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segment's results are reviewed regularly by the Company's Chairman and CEO to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") who are the Company's Chairman and CEO evaluate the Company's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the company is presented. The Company's operations fall within a single business segment "Diagnostic services".

B. Geographical information

The Company operates within India and therefore there are no assets or liabilities outside India.

C. Major customers

No single customer contributed more than 10% of the Company's Revenues during the year. Hence, the Management believes that there are no major customers to be disclosed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27 Purchase commitments towards reagent kits

The Company has entered into agreements with certain suppliers for purchase of reagents which include the right to use equipment during the life of the agreement in addition to purchase of minimum committed quantities of reagents every year. These agreements are in substance, cost of reagents and services arrangements provided by the supplier on an annual basis and the minimum purchase commitments therein do not result in more than insignificant penalty on termination of the agreement. The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed.

28 Employee benefit plans

The Company has following post employment benefit plans:

(a) Defined contribution plans

Contributions were made to provident fund and Employees' State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the respective amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the period in the standalone statement of profit and loss towards defined contribution plans is ₹ 330.85 lakhs (March 31, 2021: ₹ 290.51 lakhs)."

(b) Defined benefit plan

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of ₹ 20 lakhs.

The Gratuity plan is administered through a Gratuity Scheme with Life Insurance Corporation of India ('LIC'). The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

i. Reconciliation of the net defined benefit (asset)/ liability

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	413.47	205.19	208.28	343.05	147.51	195.54
Current service cost	95.26	–	95.26	86.35	–	86.35
Interest expense/ (income)	25.41	12.61	12.80	21.60	9.29	12.31
Recognised in statement of profit or loss	120.67	12.61	108.06	107.95	9.29	98.66
Remeasurements						
Return on plan assets, excluding amounts included in interest expense	–	16.85	16.85	–	2.40	2.40
Actuarial (gains)/ losses arising from:						
– Changes in demographic assumptions	–	–	–	–	–	–
– Changes in financial assumptions	(10.95)	–	(10.95)	4.17	–	4.17
– Experience variance (i.e. actual experience vs assumptions)	(31.43)	–	(31.43)	(11.23)	–	(11.23)
Re-measurements recognised in other comprehensive income	(42.38)	16.85	(25.53)	(7.06)	2.40	(4.66)
Contribution paid to the plan	–	74.84	(74.84)	–	81.84	(81.84)
Benefits paid	(22.73)	(22.73)	–	(30.46)	(31.05)	0.59
Closing balance	469.03	253.06	215.97	413.47	205.19	208.28

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

28 Employee benefit plans (Contd..)

ii. Plan assets

Plan assets comprises of the following:

Particulars	March 31, 2022	March 31, 2021
Funds managed by Life Insurance Corporation of India	100%	100%

iii. Actuarial assumptions

Principal actuarial assumptions for defined benefit obligation are as follows:

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.50%	6.15%
Salary escalation rate	8.00%	8.00%
Attrition rate	10.00% to 15.00%	10.00% to 15.00%

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Attrition rate: Represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	Change in assumption		Impact on defined benefit obligation					
			Increase in Assumption			Decrease in Assumption		
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Discount rate	1.00%	1.00%	Deceased by	29.03	26.54	Increased by	32.52	25.14
Salary escalation rate	1.00%	1.00%	Increased by	31.73	28.98	Deceased by	28.90	22.21
Attrition rate	50.00%	50.00%	Deceased by	26.43	26.92	Increased by	41.23	37.52

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

v. Expected contributions to the plan for the next annual reporting period

Expected contribution to post-employment benefit plans for the next year ending March 31, 2023 is ₹ 327.47 lakhs (March 31, 2022: ₹ 311.10 lakhs)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

28 Employee benefit plans (Contd..)

vi. Maturity profile of the defined benefit liability

The weighted average duration of the defined benefit obligation is 6 years (March 31, 2021 - 7 years). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

On account of	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
31 March 2022	57.58	219.61	217.34	281.09
31 March 2021	42.70	191.13	193.23	247.85

29 Share based payments

VDCL Employee Stock Option Plan 2018 "The Plan" or "ESOP 2018"

The shareholders of the Company approved "VDCPL Employee Stock Option Plan 2018 (ESOP 2018)" at the Extraordinary General Meeting held on May 03, 2018 and subsequently it was amended at the extraordinary general meeting held on March 25, 2021 and August 26, 2021 to grant a maximum of 1,625,000 options to specified categories of employees of the Company. Each option granted and vested under ESOP 2018 shall entitle the holder to acquire one equity share of face value of ₹ 1 each of the Company.

The Plan consists of six schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees.

Vested options can be exercised over a period of ten years from the grant date. The Exercise Price is the fair value of the equity share as on the date of the grant or as decided by the Nomination and remuneration committee. The time and performance based options under Scheme 1, 2, 3, 4, 5 and 6 become vested as below:

The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. The time based options under Scheme 5 become eligible and vest on an annual basis at 25%, 25%, and 50% over a period of three years. The time based options under Scheme 6 become eligible on an annual basis at 0%, 25%, 50% and 25% over a period of four years and The performance based options under Scheme 6 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years.

The fair value of equity share options is estimated at the date of grant using Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 50% of stock options are expected to be vested and exercised, accordingly the total compensation cost recognised in the statement of profit and loss is ₹ 113.56 lakhs (March 31, 2021: 19.55 lakhs).

(A) Details of options granted under ESOP 2018 by the Board/Nomination and Remuneration committee are as below:

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in ₹)	Fair value at grant date (in ₹)
1st Grant	10-May-18	4,63,750	–	220.00	222.10
2nd Grant	31-Oct-18	9,000	–	233.90	233.90
3rd Grant	01-Apr-19	75,780	–	236.90	236.90
4th Grant *	25-Mar-21	8,66,853	7,59,956	111.11	111.11

* The Options are post subdivision of equity shares (refer note 10(v)) and after impact of bonus issue (refer note 10(vi)).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29 Share based payments (Contd..)

(B) The movement of stock options during the year (in No's) :

Particulars	No of stock options
As at April 01, 2020	2,14,230
Granted during the year	3,85,278
Vested/exercisable during the year	–
Forfeited/lapsed during the year	(55,000)
Exercised during the year	–
As at March 31, 2021	5,44,508
Forfeited/lapsed during the year before bonus issue (refer note 10(vi))	(1,59,230)
Adjustment towards bonus issue	4,81,575
Vested/exercisable during the year	1,11,878
Forfeited/lapsed during the year after bonus issue	(1,06,897)
Exercised during the year	–
As at March 31, 2022	7,59,956

(C) Disclosures as per IND AS 102 for outstanding options*:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average exercise price for outstanding options at year end (in INR)	111.11	107.81
Weighted average remaining contractual life for outstanding options at year end.	8.99 years	9.19 years
Range of exercise prices for outstanding options at year end (in INR)	111.11	98 - 111

* The aforementioned disclosures are post subdivision of equity shares (refer note 10(v)) and the effect of bonus issue (refer note 10(vi)).

(D) The key assumption used to estimate the fair value of stock option as on grant date:

Grant date	Dividend yield	Risk-free interest rate	Expected life of options granted in years	Expected volatility
10-May-18	0%	7.95%	5.5 Years to 7 Years	21.32%
31-Oct-18	0%	7.84%	5.5 Years to 7 Years	24.95%
01-Apr-19	0%	7.15%	5.5 Years to 7 Years	29.52%
25-Mar-21	0%	6.12%	5.5 Years to 7 Years	43.78%

30 Related parties

(a) Details of related parties

Description of relationship	Name of the related parties
Subsidiaries	Medinova Diagnostic Services Limited Doctors Lab Medical Services Private Limited VDC Diagnostics (Karnataka) LLP
Step down subsidiaries	Namrata Diagnostic Centre Private Limited Medinova Millennium MRI Services LLP
Person exercising control	Dr. S Surendranath Reddy (Executive Chairman) (also a KMP)
Key Management Personnel (KMP)	Dr. S Surendranath Reddy (Executive Chairman) S Suprita Reddy (Chief Executive Officer)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

30 Related parties (Contd..)

Description of relationship	Name of the related parties
Enterprise where KMP has significance influence	K Sunil Chandra (Executive Director)
	S Geetha Reddy (Director)
	Nishanth Sharma (Nominee Director upto 07 March 2022)
	Anusha Kanumuru (Company Secretary w.e.f 08 Nov 2021)
	V Sri Lakshmi (Company Secretary upto 08 Nov 2021)
	Narasimha Raju.K.A (Chief Financial Officer w.e.f 1 May 2021)
	Sandhya Rani. S (Chief Financial Officer upto 18 April 2021)
	Vijaya Hospitals Private Limited
	Summit Nutraceuticals Private Limited
	Kshetra Agritech Private Limited
	Trikona Pharmaceuticals Private Limited
	Trikona Holdings LLP
	Vijaya Holdings India LLP
	S Square Properties LLP
Relative of KMP	Park Health Systems Private Limited
	IFFCO Kisan Sez Limited
	B Vishnu Priya (Wife of K Sunil Chandra)
	C Damodar Reddy (Husband of S Suprita Reddy)
	C Rhea Reddy (Daughter of S Suprita Reddy)
Independent Directors	C Arjun Reddy (Son of S Suprita Reddy)
	S Suhas Reddy (Son of K Sunil Chandra)
	S Sushmita Reddy (Daughter of K Sunil Chandra)
	Dr.D.Nageshwar Reddy (w.e.f 26 May 2021)
	Mr. S P Singh (w.e.f 26 May 2021)
Controlled Trust	Mr. Satyanarayana Murthy Chavali (w.e.f 26 May 2021)
	Mr. P S Narasimha (upto 21 Aug 2021)
	Dr. Manjula Anagani (w.e.f 22 Aug 2021)
	Vijaya Diagnostic Charitable Trust

(b) Details of transactions during the year

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent paid		
Dr. S Surendranath Reddy	433.10	362.70
K Sunil Chandra	105.54	72.21
S Suprita Reddy	70.14	40.79
S Geetha Reddy	374.44	227.75
B Vishnu Priya	1.66	1.49
Vijaya Hospitals Private Limited	112.09	89.45
Reimbursement of Expenses		
VDC Diagnostics (Karnataka) LLP	0.1	0.30
Doctors Lab Medical Services Private Limited	0.30	0.01
Rental deposits given, net		
Dr. S Surendranath Reddy	—	—
S Suprita Reddy	12.56	8.24
K Sunil Chandra	—	8.24
S Geetha Reddy	12.56	42.36

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

30 Related parties (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of consumables		
Park Health Systems Private Limited	–	1.00
Purchase of Fixed asset		
Medinova Diagnostics Services Limited	0.80	–
Sale of services		
Medinova Diagnostic Services Limited	171.13	331.37
Medinova Millennium MRI Services LLP	–	0.00
Park Health Systems Private Limited	55.23	65.41
Loans given		
Medinova Diagnostic Services Limited	725.00	–
Doctors Lab Medical Services Private Limited	–	7.30
Loans recovered		
Medinova Diagnostic Services Limited	150.00	76.15
VDC Diagnostics (Karnataka) LLP	–	78.90
Interest income		
Medinova Diagnostic Services Limited	37.01	3.13
Rental Income		
Medinova Diagnostic Services Limited	9.00	–
Remuneration to KMP and their relatives		
Dr. S Surendranath Reddy	196.67	165.00
K Sunil Chandra	93.33	55.00
S Suprita Reddy	254.17	137.50
Salaries to KMP		
Sri Lakshmi.V	6.67	8.53
Anusha Kanumuru	5.74	–
S.Sandhya Rani	41.44	86.48
Narasimha Raju.K.A	56.06	–
Remuneration paid to Independent Directors		
Dr. D.Nageshwar Reddy	12.00	–
Mr. S P Singh	12.00	–
Mr. Satyanarayana Murthy Chavali	12.00	–
Dr. Manjula Anagani	9.00	–

(c) Amounts due (to)/ from related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent payable		
Vijaya Hospitals Private Limited	9.22	–
B Vishnu Priya	0.14	–
Rental deposits		
Vijaya Hospitals Private Limited	34.95	34.95
Dr. S Surendranath Reddy	114.14	114.14
S Suprita Reddy	38.15	25.59
K Sunil Chandra	33.00	33.00
S Geetha Reddy	130.17	117.61
B Vishnu Priya	0.72	0.72

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for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

30 Related parties (Contd..)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Trade receivables		
Medinova Diagnostic Services Limited	26.62	79.12
Medinova Millennium MRI Services LLP	–	0.32
Park Health Systems Private Limited	3.31	6.61
Loans outstanding		
Medinova Diagnostic Services Limited	575.00	–
Doctors Lab Medical Services Private Limited	104.97	104.97
Interest receivable		
Medinova Diagnostic Services Limited	33.31	–
Salaries payable to KMP		
Anusha Kanumuru	1.10	–
Narasimha Raju.K.A	3.48	–

Note:

- All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted.)
- Managerial remuneration does not include provision for gratuity and leave encashment which is determined for the Company as a whole.

31 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current Assets	26,432.94	23,409.90
Current Liabilities	6,335.47	3,881.02
Ratio	4.17	6.03
% Change from previous year	–31%	

Reason for change more than 25%:

There is an increase in current assets mainly on account of investing previous year's profits into current investments (mutual funds)

b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Total debt	–	–
Total equity	46,998.04	36,054.91
Ratio	–	–
% Change from previous year	–	

Reason for change more than 25%:

No change in this ratio from year ended March 31, 2021 to March 31, 2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Ratios as per the Schedule III requirements (Contd..)

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	As at March 31, 2022	As at March 31, 2021
Profit after tax	10,810.47	8,282.15
Add: Non cash operating expenses and finance cost	6,839.21	6,454.19
-Depreciation and amortisations	5,213.65	4,972.96
-Finance costs	1,625.56	1,481.23
Earnings available for debt services	17,649.68	14,736.34
Interest cost on borrowings	–	121.32
Principal repayments (including certain prepayments during year ended March 31, 2021)	–	2,790.00
Total Interest and installments	–	2,911.32
Ratio	–	5.06
% Change from previous year	–100%	

Reasons for change more than 25%:

This ratio is Nil in March 31, 2022 as compared to March 31, 2021 mainly due to prepayment of entire borrowings.

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Net profit after tax	10,810.47	8,282.15
Average Equity	41,526.48	31,902.32
Ratio	26.03%	25.96%
Change in basis points (bps) from previous year	7.17	5.06
% Change from previous period / year	0%	

Reason for change more than 25%:

Change is below 25%

e) Inventory Turnover Ratio = Cost of goods sold divided by average inventory

Particulars	As at March 31, 2022	As at March 31, 2021
Cost of goods sold	6,895.21	5,551.05
Average Inventory	329.89	259.51
Inventory Turnover Ratio	20.90	21.39
% Change from previous year	–2%	

Reason for change more than 25%:

Change is below 25%

f) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Credit Sales	2,167.21	1,984.44
Average Trade Recievables	806.17	755.33
Ratio	2.69	2.63
% Change from previous year	2%	

Reason for change more than 25%:

Change is below 25%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Ratios as per the Schedule III requirements (Contd..)

g) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Credit purchases	18,234.69	14,831.37
Closing trade payables	2,039.26	2,027.26
Ratio	8.94	7.32
% Change from previous year	22%	
Reason for change more than 25%:		
Change is below 25%		

h) Net capital Turnover Ratio = Sales divided by Working capital whereas working capital= current assets - current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Sales	45,087.93	36,731.59
Working capital	20,097.46	19,528.88
Ratio	2.24	1.88
% Change from previous year	19%	
Reason for change more than 25%:		
Change is below 25%		

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	As at March 31, 2022	As at March 31, 2021
Net profit after tax	10,810.47	8,282.15
Sales	45,087.93	36,731.59
Ratio	23.98%	22.55%
% Change from previous year	6%	
Reason for change more than 25%:		
Change is below 25%		

j) Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed(pre cash)

Particulars	As at March 31, 2022	As at March 31, 2021
Profit before tax (A)	14,438.08	10,958.62
Finance costs (B)	1,625.56	1,481.23
Other Income ©	1,291.71	1,083.12
EBIT (D) = (A)+(B)-©	14,771.93	11,356.73
Capital employed (Pre Cash) (J)=(E)-(F)-(G)	46,856.17	35,871.23
Total assets (E)	71,083.17	53,315.33
Total liabilities (F)	24,085.13	17,260.42
Intangible assets (G)	141.88	183.68
Ratio (D)/(J)	31.53%	31.66%
Change in basis points (bps) from previous year	-0.13	
% Change from previous year	0%	
Reason for change more than 25%:		
Change is below 25%		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

32 Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on equity so as to provide returns to shareholders, benefits to other stakeholders, creditors and to sustain future development and growth of the business. In order to maintain the capital structure, the Company monitors the return on capital as well as debt to total equity ratio. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves.

Gearing ratio:

Particulars	March 31, 2022	March 31, 2021
Total debt	–	–
Total equity	46,998.04	36,054.91
Debt equity ratio	–	–

The Company's bank balances as at March 31, 2022 ₹ 18,605.50 lakhs (March 31, 2021: ₹ 19,441.74 lakhs) and debt outstanding is ₹ Nil (March 31, 2021: ₹ Nil).

33 Financial instruments

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	March 31, 2022		March 31, 2021		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Investments (other than in subsidiary Companies and LLP)						
- in mutual funds - FVTPL	6 (a)	–	5,423.55	–	2,762.73	Level 1
- in equity instruments - FVOCI	6 (a)	–	4.00	–	4.00	Level 3
Trade receivables	6 (b)	948.67	–	663.67	–	
Loans	6 (c)	679.97	–	104.97	–	
Cash and cash equivalents	6 (d)	1,039.02	–	631.32	–	
Other bank balances	6 (e)	17,566.48	–	18,223.50	–	
Other financial assets	6 (f)	1,275.98	–	1,713.58	–	
Total financial assets		21,510.12	5,427.55	21,337.04	2,766.73	
Financial liabilities						
Lease liabilities	4(c)	18,282.80	–	13,657.46	–	
Trade payables	11 (a)	2,039.26	–	2,027.26	–	
Other financial liabilities	11 (b)	2,451.38	–	440.57	–	
Total financial liabilities		22,773.45	–	16,125.29	–	

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

Investment in subsidiaries have been accounted at historical cost. Since, these are scoped out of Ind AS 109 for the purpose of measurement, the same are not disclosed in the table above."

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33 Financial instruments (Contd..)

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

Investment in equity instruments: The fair value of investment in equity instruments approximate to its carrying value. Hence, no fair value gain/ (loss) accounted in OCI.

Name of financial asset	Valuation technique	Significant unobservable inputs
Investment in unquoted equity shares	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets	Long term growth rate, Discount rate, Revenue multiple

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the current year and no transfers in either direction in previous year.

iii. Level 3 fair values

Particulars	FVOCI Equity securities	
	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	4.00	4.00
Investment made	–	–
Net change in fair value (unrealised)	–	–
Balance as at the end of the year	4.00	4.00

C. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans.

The Company has no significant concentration of credit risk with any counterparty.

Trade receivables and loans:

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored. All the trade receivables are non interest bearing.

Expected credit loss (ECL) assessment for individual customers:

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33 Financial instruments (Contd..)

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Grant	< 180 days	> 180 days	Provision	Total
March 31, 2022	703.85	396.37	(151.55)	948.67
March 31, 2021	668.57	146.65	(151.55)	663.67

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	151.55	165.36
Add: Allowance measured at lifetime expected credit loss	–	27.93
Less: Amounts written off	–	(41.74)
Balance at the end of the year	151.55	151.55

The Company has an exposure of ₹ 679.97 lakhs as at March 31, 2022 (March 31, 2021: ₹ 104.97 lakhs) for loans given to subsidiaries. Such loans are classified as financial asset measured at amortised cost. The Company did not have any amounts that were past due but not impaired at March 31, 2022 or March 31, 2021. The Company has no collateral in respect of these loans.

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by credit rating agencies. Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in subsidiaries and mutual funds.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The finance team monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/ short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds as per the approved frame work."

Exposure to liability risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2022	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Lease liabilities	18,282.80	28,464.75	2,703.68	2,703.57	7,473.54	15,583.96
Trade payables	2,039.26	2,039.26	2,039.26	–	–	–
Deferred capital creditors - on purchase of medical equipments	23.39	23.39	23.39	–	–	–
Capital creditors	1,644.77	1,644.77	1,644.77	–	–	–
Other financial liabilities	783.22	783.22	783.22	–	–	–
	22,773.45	32,955.39	7,194.32	2,703.57	7,473.54	15,583.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

33 Financial instruments (Contd..)

March 31, 2021	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Lease liabilities	13,657.46	21,043.38	2,143.19	2,217.30	6,590.95	10,091.94
Trade payables	2,027.26	2,027.26	2,027.26	–	–	–
Deferred capital creditors - on purchase of medical equipments	104.84	111.27	86.96	24.31	–	–
Capital creditors	68.07	68.07	68.07	–	–	–
Other financial liabilities	267.66	267.66	267.66	–	–	–
	16,125.29	23,517.64	4,593.14	2,241.61	6,590.95	10,091.94

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly.

iii. Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others - will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

34 Disclosure as per Ind AS 115 - Revenue from contracts with customers

A. Contract balances

Particulars	As at March 31, 2022	As at March 31, 2021
Contract assets	–	–
Contract liabilities		
– Advances from customers	–	–
– Contract liability- deferred revenue	23.45	20.99

The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

B. Movement in contract liabilities during the year

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Revenue		
Balance at the beginning of the year	20.99	27.50
Less: Revenue recognised from above	(12.78)	(15.69)
Add: Addition during the year	15.24	9.18
Balance at the end of the year	23.45	20.99

C. Reconciliation of Revenue from contract with customers

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from contract with customer as per the contract price	46,165.12	37,679.46
Adjustments made to contract price on account of :-		
Discount / Rebates	(1099.18)	(973.66)
Revenue from contract with customer	45,065.94	36,705.80
Other operating revenue	21.99	25.79
Revenue from operations	45,087.93	36,731.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- 35** During the year ended March 31, 2021 and year ended March 31, 2022, the outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its employees, vendors and business partners. The Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, the Company expects to fully recover the carrying amount of assets, and does not foresee any material adverse impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.
- 36** The Company has received a letter dated July 5, 2021 and March 14, 2022 under section 37 of the Foreign Exchange Management Act, 1999 read with section 133(6) of the Income Tax Act, 1961 from the Directorate of Enforcement, Government of India ("ED") requesting certain information for the purpose of their investigation. The Company has responded to the ED letter by letter dated August 5, 2021 and March 31, 2022 by providing the information requested for. The letter has only sought certain information, which has been complied with, and it is not a show cause notice or demand letter at this stage, and there is no impact to the financial statements.
- 37** In February 2019, the Honorable Supreme Court of India vide its judgement, clarified the definition and scope of 'Basic Wages' under the Employees' Provident Funds & Miscellaneous Provision Act, 1952. The judgement is silent on the retrospective application and in the absence of any guidelines by the regulatory authorities and considering the practical difficulties, no effect is given for the earlier periods as the same is currently not determinable.

38 Comparative figures

The Comparative figures for the previous year have been re-arranged to conform with the current year presentation of the accounts.

39 Subsequent events

Subsequent to March 31, 2022, the Board of Directors of the Company at its meeting held on 26 May 2022 has recommended a final dividend of Re. 1.00 per equity share which is subject to approval at the ensuing Annual General Meeting of the Company and hence was not recognised as a liability.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 26, 2022

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 26, 2022

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288



Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of
Vijaya Diagnostic Centre Limited
(Formerly known as 'Vijaya Diagnostic Centre Private Limited')

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vijaya Diagnostic Centre Limited (Formerly known as 'Vijaya Diagnostic Centre Private Limited') (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate / consolidated financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive

income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate / consolidated financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Revenue Recognition

Refer note 3A of the summary of significant accounting policies and note 14 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from diagnostics services is recognized at a point in time when the tests are conducted and samples are processed. The Group's revenue relates to sales through large number of diagnostic centres with high volume of sales that are made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately and which highlights the criticality of sound internal processes of summarising and recording sales revenue to mitigate error and fraud risk.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence: 1. We obtained an understanding of the systems, processes and controls implemented by the Group. We evaluated the design and implementation and the operating effectiveness of key internal financial controls with respect to revenue recognition including those related to the reconciliation of sales to cash / credit card receipts 2. We tested the reconciliation of revenue generated through cash / credit card and the amount deposited into the bank statements.

The key audit matter	How the matter was addressed in our audit
<p>There is also risk of unapproved sales price being charged to patients, on account of high volume of transactions which may result into misstatement in revenue recognition.</p> <p>In view of the above, we identified revenue recognition as a key audit matter.</p>	<ol style="list-style-type: none"> 3. We performed substantive testing on samples selected using statistical sampling of revenue transactions recorded during the year by testing the underlying documents to assess whether criteria for revenue recognitions are met. Further, we verified the accuracy of the sales price by comparing the rates with the approved price list and discount policy. 4. We tested the periodic reconciliation of revenue as per the billing system to the revenue recorded as per the accounting records. Further, we tested the reconciliation of revenue recognised with statutory filings (Goods and Services Tax returns); 5. We tested sample journal entries affecting revenue recognised during the year selected based on specified risk-based criteria, to identify unusual items. 6. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. 7. We assessed the adequacy of disclosures in respect of revenue in the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Management's and Board of Directors' / Designated Partners Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the

Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies / Designated Partner of the limited liability partnerships (LLP's) included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company / LLP and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies / Designated Partners of the LLP's included in the Group are responsible for assessing the ability of each company / LLP to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors / Designated Partners either intends to liquidate the Company / LLP or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies / Designated Partners of the LLP included in the Group are responsible for overseeing the financial reporting process of each company / LLP.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors / Designated Partners.
- Conclude on the appropriateness of the management and Board of Directors / Designated Partners use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 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 5 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹1,389.24 lakhs as at 31 March 2022, total revenues (before consolidation adjustments) of ₹1,321.09 lakhs and net cash flows (before consolidation adjustments) amounting to ₹28.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated

financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate / consolidated financial statements of such subsidiaries as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 01 April 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate / consolidated financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 22 to the consolidated financial statements.
 - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiaries incorporated in India during the year ended 31 March 2022.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiaries incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiaries incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiaries incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiaries incorporated in India shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Holding Company and its subsidiaries incorporated in India have neither declared nor paid any dividend during the year.

- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiaries incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiaries to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231 W/W- 100024

Amit Kumar Bajaj

Partner

Membership No. 218685

UDIN: 22218685AJQQWB2871

Place: Hyderabad
Date: 26 May 2022

ANNEXURE A

to the Independent Auditor's Report on the consolidated financial statements of Vijaya Diagnostic Centre Limited (formerly known as 'Vijaya Diagnostic Centre Private Limited') for the year ended 31 March 2022

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231 W/W- 100024

Amit Kumar Bajaj

Partner

Membership No. 218685

UDIN: 22218685AJQQWB2871

Place: Hyderabad

Date: 26 May 2022

ANNEXURE B

to the Independent Auditors' report on the consolidated financial statements of Vijaya Diagnostic Centre Limited (Formerly known as 'Vijaya Diagnostic Centre Private Limited') for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Vijaya Diagnostic Centre Limited (formerly known as 'Vijaya Diagnostic Centre Private Limited') (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely

preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No. 116231 W/W- 100024

Amit Kumar Bajaj

Partner

Membership No. 218685

UDIN: 22218685AJQQWB2871

Place: Hyderabad

Date: 26 May 2022

CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	4 (a)	19,661.08	13,576.83
(b) Capital work-in-progress	4 (b)	3,409.88	818.21
(c) Right-of-use assets	4 (c)	16,715.25	12,600.07
(d) Other intangible assets	5	135.68	60.05
(e) Intangible assets under development	5	6.84	123.63
(f) Goodwill on consolidation	5	533.75	533.75
(g) Financial assets			
(i) Investments	6 (a)	4.00	4.00
(ii) Other financial assets	6 (e)	754.71	1,222.17
(h) Deferred tax assets, (net)	7	885.81	609.71
(i) Non-current tax assets, (net)	21 (d)	22.57	56.99
(j) Other non-current assets	9	2,227.81	610.91
Total non-current assets		44,357.38	30,216.32
II Current assets			
(a) Inventories	8	427.67	264.43
(b) Financial assets			
(i) Investments	6 (a)	5,423.55	2,762.73
(ii) Trade receivables	6 (b)	977.09	670.45
(iii) Cash and cash equivalents	6 (c)	1,104.99	668.56
(iv) Bank balances other than (iii) above	6 (d)	18,130.69	18,755.50
(v) Other financial assets	6 (e)	514.53	518.93
(c) Other current assets	9	410.18	267.16
Total current assets		26,988.70	23,907.76
TOTAL ASSETS (I + II)		71,346.08	54,124.08
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	10 (a)	1,019.66	453.19
(b) Other equity	10 (b)	45,802.27	35,447.45
Equity attributable to owners of the Company		46,821.93	35,900.64
Non-controlling interest		132.31	22.62
Total equity		46,954.24	35,923.26
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11(a)	-	327.45
(ii) Lease liabilities	4 (c)	17,025.97	12,647.22
(iii) Other financial liabilities	11(c)	-	21.79
(b) Provisions	12	741.84	770.18
(c) Other non-current liabilities	13	11.65	5.30
Total non-current liabilities		17,779.46	13,771.94
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11 (a)	63.46	119.69
(ii) Lease liabilities	4 (c)	1,256.83	1,010.24
(iii) Trade payables	11 (b)		
Total outstanding dues of micro and small enterprises		16.76	26.83
Total outstanding dues of creditors other than micro and small enterprises		2,147.11	2,189.36
(iv) Other financial liabilities	11 (d)	2,480.30	612.57
(b) Provisions	12	208.63	73.57
(c) Current tax liabilities, net	21 (d)	90.30	162.40
(d) Other current liabilities	13	348.99	234.22
Total current liabilities		6,612.38	4,428.88
Total liabilities (II + III)		24,391.84	18,200.82
TOTAL EQUITY AND LIABILITIES (I + II + III)		71,346.08	54,124.08
Corporate information	1		
Summary of significant accounting policies	2 & 3		

The notes referred to above form an integral part of the consolidated financial statements.

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

Place: Hyderabad

Date: May 26, 2022

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288

Place: Hyderabad

Date: May 26, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
1 Income			
(a) Revenue from operations	14	46,236.99	37,674.57
(b) Other income	15	1,283.06	1,184.64
Total income		47,520.05	38,859.21
2 Expenses			
(a) Cost of materials consumed	16	7,149.91	5,709.45
(b) Employee benefits expense	17	7,065.94	5,743.33
(c) Finance costs	19	1,645.03	1,524.60
(d) Depreciation and amortisation expense	18	5,268.61	5,045.14
(e) Other expenses	20	11,652.13	9,624.30
Total expense		32,781.62	27,646.82
3 Profit Before Tax (PBT) [1 - 2]		14,738.43	11,212.39
4 Tax expense	21		
(a) Current tax		3,963.56	3,174.49
(b) Deferred tax, net		(283.06)	(453.17)
(c) Adjustment of tax related to earlier years		(8.83)	(21.58)
Total tax expense		3,671.67	2,699.74
5 Profit for the year [3-4]		11,066.76	8,512.65
6 Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
(a) Remeasurement gain on defined benefit obligations		27.62	(0.16)
(b) Income tax effect on above		(6.96)	(1.17)
Other comprehensive income for the year (net of tax)		20.66	(1.33)
7 Total comprehensive income for the year [5+6]		11,087.42	8,511.32
Profit for the period attributable to:			
Owners of the Company		10,968.06	8,447.82
Non controlling interests		98.70	64.83
Other comprehensive income attributable to:			
Owners of the Company		20.07	0.49
Non controlling interests		0.59	(1.82)
Total comprehensive income attributable to:			
Owners of the Company		10,988.13	8,448.31
Non controlling interests		99.29	63.01
Earnings per equity share (face value of ₹ 1 each fully paid up)	23		
– Basic (in ₹)		10.76	8.28
– Diluted (in ₹)		10.69	8.28
Corporate information	1		
Summary of significant accounting policies	2 & 3		

The notes referred to above form an integral part of the consolidated financial statements.

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Amit Kumar Bajaj

Partner

Membership Number: 218685

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288

Place: Hyderabad

Date: May 26, 2022

Place: Hyderabad

Date: May 26, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax	14,738.43	11,212.39
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	5,268.61	5,045.14
Net gain on sale/ retirement of property, plant and equipment	(39.79)	(15.63)
Interest income	(979.86)	(959.57)
Profit on sale of mutual fund investments	(47.62)	(15.68)
Provision for credit impaired receivables	–	33.88
Provision for doubtful advances	43.63	–
Fair value movement on financial instruments	(136.25)	(32.87)
Liabilities no longer required, written back	(21.35)	(154.36)
Employee stock option expense	113.56	19.55
Finance costs	1,521.49	1,350.85
Bad debts written-off	–	33.16
Advances written-off	–	25.85
Operating profit before working capital changes	20,460.85	16,542.71
Working capital adjustments:		
(Increase)/ decrease in inventories	(163.24)	12.89
(Increase)/ decrease in trade receivables	(306.64)	91.89
(Increase) in other financial assets	(287.92)	(196.93)
(Increase) in other assets	(551.05)	(83.97)
(Decrease) / Increase in trade payables	(30.97)	46.74
Increase / (Decrease) in provisions and other liabilities	174.90	(25.79)
Increase / (Decrease) in other financial liabilities	496.35	(301.42)
Cash generated from operations	19,792.28	16,086.12
Income tax paid, net	(3,992.41)	(3,122.53)
Net cash generated from operating activities	15,799.87	12,963.59
B Cash flows from investing activities		
Acquisition of property, plant and equipment, Capital work-in-progress (CWIP), Other Intangible assets and Intangible assets under development (including capital advances and capital creditors)	(12,234.85)	(3,213.01)
Proceeds from sale of property, plant and equipment	142.03	90.32
Purchase of further stake from NCI in subsidiary	(170.00)	–
(Invest)/Redemption of debt oriented liquid mutual funds, (net)	(2,476.94)	2,753.14
Deposits placed having original maturity of more than 3 months, (net)	1,207.81	(13,080.48)
Interest received	1,225.72	475.10
Net cash (used) from investing activities	(12,306.23)	(12,974.93)
C Cash flows from financing activities		
Repayment of long-term borrowings	(327.45)	(2,826.01)
Proceeds/(Repayments) from/to short-term borrowings, net	(56.23)	(10.76)
Repayment of lease liabilities (including interest)	(2,471.67)	(1,896.53)
Interest paid	(201.86)	(143.61)
Net cash (used) from financing activities	(3,057.21)	(4,876.91)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	436.43	(4,888.25)
Cash and cash equivalents at the beginning of the year	668.56	5,556.81
Cash and cash equivalents at end of the year	1,104.99	668.56

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Note:

- (a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.
- (b) Cash and cash equivalents as per above comprise of the following:

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	54.93	81.86
Balances with banks		
– in current accounts	1,035.80	586.70
– in deposit accounts having maturity less than three months	14.26	–
Total cash and cash equivalents (refer note 6(c))	1,104.99	668.56

Particulars	As at March 31, 2022	As at March 31, 2021
Movement in financial liabilities:		
1 Opening balance		
Non-current borrowings (including current maturities)	327.45	3,153.46
Current borrowings	119.69	130.45
Lease liabilities	13,657.46	12,838.62
Interest accrued but not due on borrowings	145.69	132.53
Movement		
Cash flows	(3,057.21)	(4,876.91)
Interest expense	1,471.59	1,298.07
Other non-cash movements		
–\Additions / Disposals to lease liabilities (net)	5,673.25	1,574.07
Closing balance		
Non-current borrowings (including current maturities)	–	327.45
Current borrowings	63.46	119.69
Lease liabilities	18,282.80	13,657.46
Interest accrued but not due on borrowings	–	145.69

The notes referred to above form an integral part of the consolidated financial statements.

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Amit Kumar Bajaj

Partner

Membership Number: 218685

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

S. Suprita Reddy

Chief Executive Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Place: Hyderabad

Date: May 26, 2022

Place: Hyderabad

Date: May 26, 2022

Narasimha Raju K.A.

Chief Financial Officer

Anusha Kanumuru

Company Secretary

Membership No. A31288

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Equity share capital	Reserves and surplus				Total attributable to owners of the Company	Total attributable to Non-controlling interest	Total
		General reserve	Securities premium	Share based payments reserve	Retained earnings			
As at April 1, 2020	453.19	493.20	5,156.75	63.18	21,266.46	27,432.78	(40.39)	27,392.39
Total comprehensive income for the year ended March 31, 2021								
Profit for the year	–	–	–	–	8,447.82	8,447.82	64.83	8,512.65
Remeasurement of defined benefit obligation, net of tax	–	–	–	–	0.49	0.49	(1.82)	(1.33)
Total comprehensive income	–	–	–	–	8,448.31	8,448.31	63.01	8,511.32
Share based payment (Refer Note 29)	–	–	–	19.55	–	19.55	–	19.55
As at March 31, 2021	453.19	493.20	5,156.75	82.73	29,714.77	35,900.64	22.62	35,923.26
Total comprehensive income for the year ended March 31, 2022								
Profit for the year	–	–	–	–	10,968.06	10,968.06	98.70	11,066.76
Remeasurement of defined benefit obligation, net of tax	–	–	–	–	20.07	20.07	0.59	20.66
Total comprehensive income for the year	–	–	–	–	10,988.13	10,988.13	99.29	11,087.42
Bonus issue of shares	566.47	–	(566.47)	–	–	–	–	–
Share based payment (Refer Note 29)	–	–	–	113.56	–	113.56	–	113.56
Adjustment on consolidation	–	–	–	–	(180.40)	(180.40)	10.40	(170.00)
As at March 31, 2022	1,019.66	493.20	4,590.28	196.29	40,522.50	46,821.93	132.31	46,954.24

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 26, 2022

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 26, 2022

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

1 Corporate Information

Vijaya Diagnostic Centre Limited (formerly known as Vijaya Diagnostic Centre Private Limited) ("the Company" or "the Parent Company") together with its subsidiaries (collectively, "the Group") is engaged in the business of providing comprehensive range of diagnostic services spanning pathological investigations, basic and high end radiology, nuclear medicine and related healthcare services.

The Company was converted into a public limited company under the Companies Act, 2013 on March 22, 2021 and consequently, the name was changed to "Vijaya Diagnostic Centre Limited". The Company and its subsidiaries have been incorporated under the provisions of the Companies Act, 2013 and the Limited Liability Partnership Act, 2008. The Company is domiciled in India, having its registered office located at # 3-6-16 & 17, Street No 19, Himayat Nagar, Hyderabad - 500 029, India and the Corporate office is located at # 6-3-883/F, Ground Floor of Family Planning Association of India, Panjagutta, Hyderabad - 500 082, India.

The Company has offered 35,688,064 equity shares of Re. 1 each in relation to the Initial Public Offering ('IPO') comprising of an Offer for sale of the Equity shares by certain existing shareholders of the Company. Subsequent to the IPO, the equity shares of the Company were listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') on 14 September 2021.

2 Basis of preparation and measurement

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, amended from time to time.

The consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use."

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 26, 2022.

(ii) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value
- Net defined benefit (asset)/ liability : Fair value of plan assets less present value of defined benefit obligations
- Borrowings : Amortised cost using effective interest rate method
- Equity settled share based payments at grant date : Measured at fair value

(iv) Use of estimates and judgements

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(L), 4©, 20 - lease classification.
- Note 3(L), 4© and 20 - Whether an arrangement contains a lease and lease classification;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 3(G) - Impairment testing for goodwill generated on consolidation;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

- Note 4(a) and Note 5 – determining an asset's expected useful life and the expected residual value at the end of its life
- Note 6(b) – Impairment of financial assets;
- Note 27 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

(v) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability"

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the

Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in Note 32- Financial Instruments

(vi) Principles of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements;
- (iii) The Group's voting rights and potential voting rights;
- (iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31.

b. Consolidation procedures:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup

transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- (ii) Derecognises the carrying amount of any non-controlling interests.
- (iii) Derecognises the cumulative translation differences recorded in equity.
- (iv) Recognises the fair value of the consideration received.
- (v) Recognises the fair value of any investment retained.
- (vi) Recognises any surplus or deficit in profit or loss.
- (vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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e. Subsidiaries considered in the consolidated financial statements:

S. No.	Name of the entity	Relationship	Country of incorporation	Ownership interest in %	
				March 31, 2022	March 31, 2021
1	Medinova Diagnostic Services Limited	Subsidiary	India	62.14%	62.14%
2	VDC Diagnostic (Karnataka) LLP	Subsidiary	India	100.00%	100.00%
3	Doctors Lab Diagnostic Centre Private Limited	Subsidiary	India	100.00%	100.00%
4	Medinova Millennium MRI Services LLP*	Step down subsidiary	India	100.00%	55.07%
5	Namrata Diagnostic Centre Private Limited**	Step down subsidiary	India	100.00%	100.00%

*Subsidiary of Medinova Diagnostic Services Limited

**Subsidiary of Doctors Lab Diagnostic Centre Private Limited

(vii) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when:

- it is expected to be realized in, or is intended for sale or consumption in the Group's normal operating cycle;
- it is expected to be realized within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current

Liabilities

A liability is classified as a current when:

- it is expected to be settled in the Group's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- the Group does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current."

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3 Summary of significant accounting policies

A. Revenue recognition

i) Income from diagnostic services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis, however for institutional/ organisational customers a credit period of 30 days is given, which is consistent with market practice.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Group measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation.

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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.

ii) Income from sale of Privilege cards

The Group operates a discount scheme where certain 'Privilege cards' are sold to the customers against which specified discounts are given on the future diagnostic services availed by the customer for a specified period. The Group recognises revenue from the sale of such cards over the period for which the card is valid. The difference in sale consideration received and revenue recognised is recognised as deferred revenue.

B. Recognition of dividend income, interest income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income is recognised using the effective interest rate method.

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate which exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset.

When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument; expected credit losses are considered if the credit risk on that financial instrument has increased significantly since initial recognition"

C. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

D. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

i) Initial measurement and recognition

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

All financial assets except trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are

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measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost : 'These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: 'These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial Liabilities:

Financial liabilities are measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

Derecognition - Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but

retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Derecognition - Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Financial Instruments Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the

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reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is provided using the Written down value Method ('WDV') over the useful lives of the assets as estimated by the Management. Depreciation on additions and deletions are restricted to the period of use. Depreciation is charged to statement of profit and loss. Assets costing below ₹ 5,000 are depreciated in full in the same year.

The Group entities, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Useful life estimated by the Management	Useful life as per Schedule II
Buildings	60 years	60 years
Plant and equipment:		
– Medical and diagnostic equipment	5 years - 13 years	13 years
– Other equipment	7 years - 15 years	15 years
Electrical equipment	10 years	10 years
Furniture and fixtures	5 years - 10 years	10 years
Office equipment	3 years - 5 years	5 years
Computers		
– Servers and networks	6 years	6 years
– End user devices such as laptops, etc.	3 years - 5 years	3 years
Vehicles	8 years	8 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period which ever is lower. In the case of leasehold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period which ever is lower.

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

F. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the WDV method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

- Software - 5 years

Amortisation method and useful lives are reviewed at the end of each financial year and adjusted if appropriate.

G. Goodwill on consolidation

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Goodwill on consolidation		
Medinova Diagnostic Services Limited	533.75	533.75

The Group's goodwill on consolidation are tested for impairment annually or more frequently if there are indications that goodwill might be impaired.

An impairment loss recognized for goodwill is not reversed in subsequent periods.

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Further information about the assumptions made in testing impairment is included in the following notes:

- Note 5 - Goodwill

H. Capital work in progress

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

I. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are valued at lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any. Cost is determined on First-in-First-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

J. Impairment of assets

i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

K. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed

contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and Employees' State Insurance ('ESI'). Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Other long-term employee benefits

The liabilities for earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by a qualified actuary using the projected unit credit method. The benefits

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are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(v) Share based payments

Employees of the Company receive remuneration in the form of share-based payments, 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 Black Scholes valuation model. The grant date fair value of options granted to employees is recognised as employee expense with a corresponding increase in share based payments reserve, over the period in which the eligibility conditions are fulfilled and employees unconditionally become entitled to awards. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

L. Leases

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

Company as a Lessor:

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on straight line basis over the term of relevant lease."

Company as a Lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Under Ind AS 116, the Company assesses whether a contract is or contains a lease based on the definition of lease. On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied Ind AS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under Ind AS 17 were not reassessed for whether there is a lease. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after April 01, 2019.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The Company used the following practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease."

Right of use asset:

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

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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."

Lease Liability:

The Company measures the lease liability at present value of the future lease payments 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 as at the commencement of lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss."

M. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax

rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – Unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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N. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

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.

O. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

P. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Q. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

R. Investments

Investments representing equity interest carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

S. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

T. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to conceptual framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of fulfilling a contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples

would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements."

Ind AS 116 – Annual improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4 (a) Property, plant and equipment

Particulars	Freehold land	Buildings	Building on leasehold land	Leasehold improvements	Plant and equipment - Medical	Plant and equipment - others	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
A. \Gross value (at cost)												
As at April 01, 2020	205.41	617.84	1,416.77	2,352.82	14,326.02	2,201.53	939.54	1,371.33	206.23	475.31	353.46	24,466.26
Additions	-	-	-	164.59	2,298.37	164.92	130.43	140.29	25.87	92.85	5.99	3,023.31
Disposals	-	-	-	-	(200.66)	(1.21)	(3.66)	-	-	-	(4.71)	(210.24)
As at March 31, 2021	205.41	617.84	1,416.77	2,517.41	16,423.73	2,365.24	1,066.31	1,511.62	232.10	568.16	354.74	27,279.33
Additions	4,413.67	243.87	-	710.56	2,628.41	360.76	394.43	409.62	89.79	149.81	69.85	9,470.77
Disposals	-	-	-	(12.33)	(198.90)	(4.79)	(2.57)	(0.60)	(0.32)	-	(150.47)	(369.98)
As at March 31, 2022	4,619.08	861.71	1,416.77	3,215.64	18,853.24	2,721.21	1,458.17	1,920.64	321.57	717.97	274.12	36,380.12
B. \Accumulated depreciation												
As at April 01, 2020	-	86.71	487.97	1,018.84	5,825.90	1,399.03	458.51	584.56	133.96	315.53	170.37	10,481.38
For the year	-	25.87	86.05	403.83	2,097.60	167.56	143.99	224.05	42.29	106.87	58.56	3,356.67
Disposals	-	-	-	-	(127.99)	(0.60)	(2.67)	-	-	-	(4.29)	(135.55)
As at March 31, 2021	-	112.58	574.02	1,422.67	7,795.51	1,565.99	599.83	808.61	176.25	422.40	224.64	13,702.50
For the year	-	28.81	77.00	380.16	2,027.75	177.70	159.64	224.03	59.50	113.41	36.28	3,284.28
Disposals	-	-	-	(11.18)	(152.31)	(2.71)	(2.33)	(0.46)	(0.28)	-	(98.47)	(267.74)
As at March 31, 2022	-	141.39	651.02	1,791.65	9,670.95	1,740.98	757.14	1,032.18	235.47	535.81	162.45	16,719.04
C. \Net carrying value (A-B)												
As at March 31, 2022	4,619.08	720.32	765.75	1,423.99	9,182.29	980.23	701.03	888.46	86.10	182.16	111.67	19,661.08
As at March 31, 2021	205.41	505.26	842.75	1,094.74	8,628.22	799.25	466.48	703.01	55.85	145.76	130.10	13,576.82

Notes:

Refer to note 22 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Description	March 31, 2022		March 31, 2021	
Title deeds held in the name of	Group	Group	Group	Group
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	NA	NA	NA	NA
Reason for not being held in the name of the company	NA	NA	NA	NA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4(b) Capital work in progress (CWIP)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	818.21	926.13
Additions during the year	12,062.44	2,915.40
Less: Capitalizations	(9,470.77)	(3,023.32)
Balance at the end of the year	3,409.88	818.21

Note: The company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

As at March 31, 2022

Ageing schedule

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	3,409.88	–	–	–	3,409.88

As at March 31, 2021

Ageing schedule

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	818.21	–	–	–	818.21

4(c) Right of use assets and Lease Liabilities

Transition to Ind AS 116 "Leases" w.e.f April 01, 2019:

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, under modified retrospective transition method, and has not restated comparative information.

The Group has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Company uses the incremental borrowing rate to discount its lease payments. The rate applied is 8.50% p.a.

(i) Movement in Right of use assets ('ROU') and Lease liabilities is given below:

Description	Right of use assets (Buildings)
Gross ROU asset	
As at April 01, 2020	13,977.17
Additions	1,705.75
Disposals	(74.89)
As at March 31, 2021 (A)	15,608.03
Additions	6,133.07
Disposals	(129.98)
As at March 31, 2022 (C)	21,611.12

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for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

4(c) Right of use assets and lease liabilities (Contd..)

Description	Right of use assets (Buildings)
Accumulated depreciation	
As at April 1, 2020	1,439.46
Depreciation for the year	1,642.10
Disposals	(73.60)
As at March 31, 2021 (B)	3,007.96
Depreciation for the year	1,912.82
Disposals	(24.91)
As at March 31, 2022 (D)	4,895.87
Net carrying amount as at March 31, 2022 ©- (D)	16,715.25
Net carrying amount as at March 31, 2021 (A)- (B)	12,600.07

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	13,657.46	12,838.62
Additions during the year	5,777.29	1,575.45
Disposal during the year	(104.04)	(1.38)
Accretion of interest	1,423.76	1,141.30
Payment of lease liabilities	(2,471.67)	(1,896.53)
Balance as at the end of the year	18,282.80	13,657.46
Lease liabilities		
– Current lease liabilities	1,256.83	1,010.24
– Non Current lease liabilities	17,025.97	12,647.22

(ii) Payments recognised as expenses and income

Particulars	As at March 31, 2022	As at March 31, 2021
Short term leases and low value assets (refer note 20)	62.56	66.22
	62.56	66.22

(iii) Contractual maturities of lease liabilities on undiscounted basis

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	2,703.68	2,143.19
One to five years	10,177.11	8,808.25
More than five years	15,583.96	10,091.94
	28,464.75	21,043.38

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

5 Other intangible assets

Particulars	Intangible assets under development	Other intangible assets	Goodwill
A. Gross carrying value (at cost)			
As at April 01, 2020	36.50	265.38	533.75
Additions	123.63	2.85	–
(Disposals) / Capitalisation	(36.50)	–	–
As at March 31, 2021	123.63	268.23	533.75
Additions	30.35	147.14	–
(Disposals) / Capitalisation	(147.14)	–	–
As at Mar 31, 2022	6.84	415.37	533.75
B. Accumulated amortization			
As at April 01, 2020	–	161.81	–
Amortisation charge for the year	–	46.37	–
Disposals	–	–	–
As at March 31, 2021	–	208.18	–
Amortisation charge for the year	–	71.51	–
Disposals	–	–	–
As at Mar 31, 2022	–	279.69	–
C. Net carrying value (A-B)			
As at March 31, 2022	6.84	135.68	533.75
As at March 31, 2021	123.63	60.05	533.75

Note: The company 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.

The Group performed its annual impairment test for years ended March 31, 2021 and March 31, 2022.

Impairment testing for cash generating unit containing goodwill:

The recoverable amount of the CGU, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Management covering a five year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the years is stated in the below table and cash flows beyond the five year period are extrapolated using a long term growth rate as stated in the below table that is the same as the long-term average growth rate for the Diagnostic service industry.

The following table sets out the key assumption for the Cash Generating Unit ("CGU") for performing the annual impairment test:

Particulars	31-Mar-22	31-Mar-21
Discount rate	10%	10%
Terminal growth rate	5%	5%

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

There is no impairment noted in the above CGUs based on the assessment performed by the Management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the CGU lower than the carrying amount of CGU.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

5 Other intangible assets (Contd..)

No impairment on goodwill was recognized during the current year or earlier years.

As at March 31, 2022

i) Ageing Schedule

Intangible assets under development	Amount in Intangible asset under development for period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	6.84	–	–	–	6.84
Total	6.84	–	–	–	6.84

As at March 31, 2021

i) Ageing Schedule

Intangible assets under development	Amount in Intangible asset under development for period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
Projects in progress	87.13	36.50	–	–	123.63
Total	87.13	36.50	–	–	123.63

6 Financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Investments - Non trade		
Non-current		
Investment in Equity Instruments - carried at FVOCI		
<i>Unquoted</i>		
C.R Broadcasting Hyderabad Limited [40,000 (March 31, 2021: 40,000) equity shares of ₹ 10 each fully paid up]	4.00	4.00
	4.00	4.00
Aggregate book value of unquoted investments	4.00	4.00
Aggregate book value of impairment in value of investments	–	–
Current		
Investments at fair value through profit or loss - quoted		
Mutual Funds		
Aditya Birla Sunlife Floating Rate Fund - 1,12,481.50 (March 31, 2021: 221,182.96) units	318.94	606.83
Aditya Birla Sunlife Low Duration Fund - 73,574.67 (March 31, 2021: 73,574.67) units	425.53	406.18
HDFC Low Duration Fund - 805,643.61 (March 31, 2021: 805,643.61) units	401.12	383.28
IDFC Low Duration Fund - 17,30,608.49 (March 31, 2021: 3,305,908.39) units	551.38	1,013.52
Kotak Low Duration Fund - 12,724.06 (March 31, 2021: 12,724.06) units	369.20	352.92
ABSL Money Manager Fund- 2,72,525.25 (March 31, 2021: Nil) units	814.61	–
ABSL Saving Fund- 1,60,099.92 (March 31, 2021: Nil) units	712.94	–
Axis Money Market Fund- G-Direct- 79,560.23 (March 31, 2021: Nil) units	916.36	–
Nippon India Interval Fund - Quarterly Plan- 14,22,201.68 (March 31, 2021: Nil) units	403.94	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Nippon India Money Market Fund- G-Direct- 15,207.19 (March 31, 2021: Nil) units	509.53	–
	5,423.55	2,762.73
Aggregate book value of quoted investments	5,423.55	2,762.73
Aggregate market value of quoted investments	5,423.55	2,762.73
(b) Trade receivables		
Trade receivables- Considered good- Unsecured *	1,069.51	763.29
Less: Allowance for expected credit loss	(92.42)	(92.84)
Trade receivables- Considered good- Unsecured	977.09	670.45
Trade receivables- Credit impaired- Unsecured	60.40	60.40
Less: Allowance for credit impaired	(60.40)	(60.40)
Trade receivables- Credit impaired- Unsecured	–	–

* Includes amount receivable from related parties (refer note 30)

As at March 31, 2022

Particulars	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	711.76	250.28	7.80	4.20	3.05	977.09
(ii) Undisputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade receivables – credit impaired	0.19	52.04	25.94	10.91	3.34	92.43
(iv) Disputed Trade receivables– considered good	–	–	–	–	–	–
(v) Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade receivables – credit impaired	–	–	–	–	60.40	60.40
Total	711.95	302.32	33.74	15.11	66.79	1,129.91

As at March 31, 2021

Particulars	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	638.57	13.73	14.27	3.89	–	670.46
(ii) Undisputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade receivables – credit impaired	16.66	17.25	38.29	19.07	1.57	92.84
(iv) Disputed Trade receivables– considered good	–	–	–	–	–	–
(v) Disputed Trade receivables – which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade receivables – credit impaired	–	–	–	36.63	23.77	60.40
Total	655.23	30.98	52.56	59.59	25.34	823.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

6 Financial assets (Contd..)

Description	As at March 31, 2022	As at March 31, 2021
(c) Cash and cash equivalents		
Cash on hand	54.93	81.86
Balances with banks		
– in current accounts	1,035.80	586.70
– in deposit accounts having maturity less than 3 months or less	14.26	–
	1,104.99	668.56
(d) Other bank balances		
Current		
Deposits due to mature after three months but before twelve months from the reporting date * @	18,130.69	18,755.50
	18,130.69	18,755.50
<p>@ Fixed deposit of ₹ 2,144.13 lakhs (March 31, 2021: ₹ 228.67 lakhs) under lien. * These deposits are made with banks comprise of time deposits, which are available at call.</p>		
(e) Other financial assets		
(Unsecured, considered good)		
Non-current		
Balances with bank held as margin money	12.37	10.36
Fixed deposit with banks, with remaining maturity of more than 12 Months	1.91	586.92
Security deposits*	740.43	619.65
Interest accrued on bank deposits and others	–	5.24
	754.71	1,222.17
<p>* Includes amount receivable from related parties (refer note 30)</p>		
Current		
Interest accrued on bank deposits and others	188.94	480.77
Security deposits*	28.94	29.43
Share issue expenses receivable	294.32	–
Other receivables	2.33	8.73
	514.53	518.93

* Includes amount receivable from related parties (refer note 30)

7 Deferred tax assets/(liabilities), net

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
– Decommissioning liability on property, plant and equipment	139.44	117.90
– Leases	598.05	392.42
– Employee benefits	89.34	82.90
– Credit impaired debts	38.14	38.14
– Property, plant and equipment	35.37	20.71
– Others	80.61	43.86
Sub total (A)	980.95	695.93
Deferred tax liabilities		
– Fair value gains of mutual funds	42.56	8.27
– Property, plant and equipment and Intangible assets	52.58	77.95
Sub total (B)	95.14	86.22
Deferred tax asset/(liability), net (A-B)	885.81	609.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

7 Deferred tax assets/(liabilities), net (Contd..)

Movement in deferred tax assets/ (liabilities)

On account of	Property, plant and equipment including decommissioning liability	Provision for employee benefits	Leases	Fair value of Mutual Funds	Others	Total
As at April 01, 2020	42.03	81.13	179.56	(233.03)	88.44	158.13
(Charged)/ credited:						
– to profit and loss	18.63	2.94	212.86	224.76	(6.44)	452.75
– to OCI	–	(1.17)	–	–	–	(1.17)
As at March 31, 2021	60.66	82.90	392.42	(8.27)	82.00	609.71
(Charged)/credited:						
– to profit and loss	61.57	13.40	205.63	(34.29)	36.75	283.06
– to OCI	–	(6.96)	–	–	–	(6.96)
As at March 31, 2022	122.23	89.34	598.05	(42.56)	118.75	885.81

There are no unrecognized deferred tax assets and liabilities as at March 31, 2022 and March 31, 2021.

8 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
reagents, chemicals, digital imaging films and consumables	427.67	264.43
	427.67	264.43

During the year ended March 31, 2022 ₹ Nil (March 31, 2021: ₹ Nil) was recognised as an expense for inventories carried at net realisable value.

9 Other assets

(Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	2,015.50	347.60
Less: Provision for doubtful advances	(43.63)	–
Prepaid expenses	255.94	263.31
	2,227.81	610.91
Current		
Advances other than capital advances		
– Advance to suppliers	145.52	49.82
– Advance to employees	13.30	7.63
Prepaid expenses	251.36	209.71
	410.18	267.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
12,05,00,000 equity shares of Re. 1 each (March 31, 2021: 12,05,00,000 equity shares of Re. 1 each)	1,205.00	1,205.00
Equity share capital		
(a) Issued, subscribed and fully paid up capital		
101,965,926 equity shares of Re. 1 each (March 31, 2021: 45,318,190 equity shares of Re. 1 each), fully paid-up	1,019.66	453.19
	1,019.66	453.19

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	4,53,18,190	453.19	45,31,819	453.19
Bonus shares issued during the year (refer note vii)	5,66,47,736	566.47	–	–
Increase in shares on account of subdivision (refer note vi)	–	–	4,07,86,371	–
Shares outstanding at the end of the year	10,19,65,926	1,019.66	4,53,18,190	453.19

ii) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1 per share (March 31, 2021: Re. 1 per share). Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividends in Indian Rupees, proposed by the Board of Directors and subject to the approval of the shareholders in the Annual General Meetings. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of shareholders holding more than 5% equity shares in the Company

Particulars	March 31, 2022		March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Equity Shares:				
Dr. S Surendranath Reddy	3,34,22,899	32.78%	2,68,16,030	59.17%
Fidelity Investment Trust	92,41,397	9.06%	–	–
S Suprita Reddy	91,76,933	9.00%	25,250	0.06%
K Sunil Chandra	91,06,933	8.93%	3,04,160	0.67%
Watch Advisors Inc.	80,14,649	7.86%	–	–
Axis Mutual Fund	67,60,585	6.63%	–	–
Aberdeen New India	59,42,088	5.83%	–	–
M/s. Karakoram Limited	–	–	1,74,73,950	38.56%

As per records the Company including registration of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares.

(iv) During the five years immediately preceding the reporting date, no shares have been bought back, issued for consideration other than cash except for equity shares issued by way of bonus as provided below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity (Contd..)

v) Shares held by promoters at the end of the period/year:

Particulars	March 31, 2022			March 31, 2021		
	Number of Shares	% of holding	% of change	Number of Shares	% of holding	% of change
Dr S.Surendranath Reddy	3,34,22,899	32.78%	-26.39%	2,68,16,030	59.17%	-
Total	3,34,22,899	32.78%	-26.39%	2,68,16,030	59.17%	-

v) Subdivision of equity shares

(i) On March 22, 2021 the equity shares of the Company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having a face value of Re. 1 (Rupee one only) each. Accordingly, 4,531,819 equity shares of face value of ₹ 10 each were sub divided into 45,318,190 equity shares of face value of Re. 1 each.

(ii) The earnings per share in respect of the previous year was restated considering the aforesaid sub division of shares."

vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Allotted as fully paid up equity shares by way of bonus	5,66,47,736	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-

The Company issued bonus shares on 27 May 2021 in proportion of five new equity shares of Re. 1 each for every four existing equity shares of Re. 1 each, resulting in total fully paid up equity shares of 101,965,926 equity shares of Re. 1 each.

(b) Other equity Reserves and surplus

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	493.20	493.20
Employee share options outstanding	196.29	82.73
Securities premium	4,590.28	5,156.75
Retained earnings	40,522.50	29,714.77
	45,802.27	35,447.45

i) General reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	493.20	493.20
Less: Movement during the year	-	-
Balance as at the end of the year	493.20	493.20

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

10 Equity (Contd..)

ii) Share based payments reserve

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the commencement of the year	82.73	63.18
Add: Share options expense for the year	113.56	19.55
Balance as at the end of the year	196.29	82.73

The Company has established equity settled share based payment plan for employees of the Company. [refer note 29 for details]

iii) Securities premium

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the commencement of the year	5,156.75	5,156.75
Less: Movement due to bonus issue	(566.47)	–
Balance as at the end of the year	4,590.28	5,156.75

Securities premium is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the "Act".

iv) Retained earnings

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the commencement of the year	29,714.77	21,266.46
Add: Profit for the year	10,968.06	8,447.82
Less: Adjustment on consolidation	(180.40)	–
Items of other comprehensive income recognised directly in retained earnings		
– Remeasurement of defined benefit obligations (net of tax)	20.07	0.49
Balance as at the end of the year	40,522.50	29,714.77

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders.

OCI represents Re-measurement on defined employee benefit obligations: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified to statement of profit and loss.

Total Other equity (i+ii+iii+iv)	45,802.27	35,447.45
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11 Financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Borrowings		
Non-Current		
Unsecured loans	–	327.45
Loan from directors	–	–
	–	327.45
Current		
	–	327.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

11 Financial liabilities (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Overdraft from bank	63.46	119.69
	63.46	119.69
Note:		
(a) Loan from Directors is repayable in 3 to 5 years and carries an interest rate of 8% per annum. The loan is unsecured.		
(b) Borrowing represents overdraft facility taken by the subsidiary. The said overdraft facility is secured with underlying Fixed Deposit given by Group and partner in the subsidiary. The loan carries an interest rate 10% - 11% per annum."		
(b) Trade payables		
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 24)	16.76	26.83
Total outstanding dues of creditors other than micro enterprises and small enterprises *	2,147.11	2,189.36
	2,163.87	2,216.19

* Includes amount payable to related parties (refer note 30)

As on March 31, 2022

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	16.76	—	—	—	16.76
ii) Others	1,129.86	13.12	5.25	64.74	1,212.97
iii) Disputed Dues-MSME	—	—	—	—	—
iv) Disputed Dues-Others	—	—	—	—	—
v) Unbilled dues	928.18	—	5.96	—	934.14
Total	2,074.80	13.12	11.21	64.74	2,163.87

As on March 31, 2021

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	26.83	—	—	—	26.83
ii) Others	1,361.46	20.92	28.56	77.29	1,488.23
iii) Disputed Dues-MSME	—	—	—	—	—
iv) Disputed Dues-Others	—	—	—	—	—
v) Unbilled dues	701.12	—	—	—	701.12
Total	2,089.41	20.92	28.56	77.29	2,216.18

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Other financial liabilities		
Non-current		
Deferred credit - medical equipment	—	21.79
	—	21.79
(d) Current		
Interest accrued but not due on borrowings	—	145.69
Employee payables	812.11	315.76
Deferred credit - medical equipment	23.39	83.05
Capital creditors	1,644.80	68.07
	2,480.30	612.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

12 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits:		
– Gratuity (refer note 27)	184.48	195.97
– Compensated absences	109.05	108.89
Others:		
– Decommissioning liability (refer note below)	448.31	465.32
	741.84	770.18
Current		
Provision for employee benefits:		
– Gratuity (refer note 27)	70.75	52.19
– Compensated absences	40.32	21.38
Others:		
– Decommissioning liability (refer note below)	97.56	–
	208.63	73.57

Note:

i. Movement in Provision for Decommissioning liability

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	465.32	376.65
Add: Unwinding of interest	44.39	37.66
Add: Provision created during the year	36.16	51.01
Balance as at the end of the year	545.87	465.32

13 Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred revenue	11.65	5.30
	11.65	5.30
Current		
Deferred revenue	11.80	15.69
Statutory liabilities	316.01	188.82
Others	21.18	29.71
	348.99	234.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

14 Revenue from operations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from Contracts with customers- Sale of services	46,211.28	37,645.42
Other operating revenue		
– Sale of scrap	21.99	25.79
– Miscellaneous Income	3.72	3.36
	46,236.99	37,674.57

15 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on bank deposits and others	928.65	920.91
Interest income on other financial assets measured at amortised cost	51.21	38.66
Profit on sale of mutual fund investments	47.62	15.68
Fair value gain on financial assets (mutual funds) measured at FVTPL	136.25	32.87
Net gain on sale/ retirement of property, plant and equipment	40.42	15.63
Liabilities no longer required written back	21.35	154.36
Insurance claim received	27.18	–
Other non operating income	30.38	6.53
	1,283.06	1,184.64

16 Cost of materials consumed

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventory of materials as at the beginning of the year (refer note 8)	264.43	277.33
Add: Purchases during the year	7,313.15	5,696.55
Less: Inventories of materials as at the end of the year (refer note 8)	(427.67)	(264.43)
	7,149.91	5,709.45

17 Employee benefits expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	6,317.36	5,137.36
Contribution to provident and other funds (refer note 27)	344.23	299.25
Gratuity (refer note 27)	112.94	103.38
Compensated absences	59.48	24.93
Share based payments - equity settled (refer note 28)	113.56	19.55
Staff welfare expenses	118.37	158.86
	7,065.94	5,743.33

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

18 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on property, plant and equipment (refer note 4(a))	3,284.28	3,356.67
Amortisation on other intangible assets (refer note 5)	71.51	46.37
Depreciation on right of use assets (refer note 4(c))	1,912.82	1,642.10
	5,268.61	5,045.14

19 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings measured at amortised cost	47.83	156.68
Interest expense on deferred credit purchases and decommissioning liability	49.90	52.87
Interest expense on lease liabilities (refer note 4(c))	1,423.76	1,141.30
Bank charges and other borrowing costs	123.54	173.75
	1,645.03	1,524.60

20 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Power and fuel	1,159.67	1,019.20
Rent	62.56	66.22
Testing charges	148.04	461.79
Sample collection charges	404.87	320.28
Repairs and maintenance		
– Buildings	119.20	150.27
– Plant and equipments	1,052.45	712.41
– Others	157.78	161.27
House keeping expenses	581.12	471.91
Security charges	414.87	375.81
Insurance	77.99	51.92
Rates and taxes	100.23	70.72
Advertisement, publicity and marketing	169.12	138.07
Business promotion	291.66	176.41
Travelling and conveyance	217.73	138.93
Legal and professional fees (professional fees to doctor consultants and others)	5,907.67	4,620.14
Payment to auditors (refer note (i) below)	73.16	41.74
Remuneration to Independent Directors	53.76	–
Postage and communication	169.96	145.10
Printing and stationery	65.84	71.55
Provision for doubtful receivables	–	33.88
Provision for doubtful advances	43.63	–
Bad debts written off	–	33.16
Advances written-off	–	25.85
Loss on sale of assets	0.63	–
Corporate social responsibility expenditure (refer note (ii) below)	175.50	197.71
Donations	3.32	0.75
Miscellaneous expenses	201.37	139.21
	11,652.13	9,624.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

20 Other expenses(Contd..)

Notes:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Payment to auditors (inclusive of taxes)		
As auditors		
– Statutory audit fees	59.00	37.76
– Limited review	14.16	–
For reimbursement of expenses	–	3.98
	73.16	41.74
ii. Details of corporate social responsibility expenditure		
(i) Gross amount required to be spent by the Group during the period	175.50	138.38
(ii) Amount approved by the Board to be spent during the period	175.50	138.38
(iii) Amount spent during the period (in cash)		
– construction/ acquisition of any asset	–	–
– on purpose other than above	175.50	197.71
(iv) (Shortfall) / Excess at the end of the period	–	–
(v) Total of previous years shortfall	–	–
(vi) Details of related party transactions	NA	NA
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period should be shown separately	NA	NA
(viii) Reason for shortfall: For the year ending March 31, 2022, March 31, 2021: No shortfall"		
(ix) Nature of CSR activities:		
a) Skill development		
b) Education		
c) Healthcare		

21 Income-tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Amount recognised in statement of profit and loss		
Current tax	3,963.56	3,174.49
Deferred tax attributable to temporary differences	(283.06)	(453.17)
Tax pertaining to earlier years	(8.83)	(21.58)
Tax expense	3,671.67	2,699.74
(b) Amount recognised in other comprehensive income		
Deferred tax related to items recognised in OCI		
Deferred tax expense/(income) on remeasurements of defined benefit obligations	6.96	1.17
Income-tax expense/(income) recognised in OCI	6.96	1.17
(c) Reconciliation of effective tax rate:		
Profit before tax	14,738.43	11,212.39
Enacted tax rate in India*	25.17%	25.17%
Tax expense at enacted rates	3,709.37	2,821.93
Tax effect of:		
Non-deductible expenses	44.17	24.59
Unrecognised deferred taxes	4.45	5.28
Others	(77.49)	(130.48)
Tax expense at enacted rates	3,680.50	2,721.32
Tax pertaining to earlier years	(8.83)	(21.58)
Income-tax recognised in the statement of profit and loss	3,671.67	2,699.74

* The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Group has opted for this amendment and tax rate is calculated at 22% plus applicable surcharge and cess.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

21 Income-tax expense (Contd..)

(d) The following table provides the details of income tax assets and income tax liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Income-tax assets, (net)	22.57	56.99
Current tax liabilities, (net)	(90.30)	(162.40)
	(67.73)	(105.41)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net income-tax liability at the beginning of the year	(105.41)	(75.03)
Less: Current income tax expense	(3,963.56)	(3,174.49)
Less: Tax pertaining to earlier years	8.83	21.58
Add: Tax paid during the year	3,992.41	3,122.53
Net income tax liability as at the end of the year	(67.73)	(105.41)

22 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts	–	–

The Group based on its legal assessment do not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

Capital and other commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	5,067.60	732.34

23 Earnings per share

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Earnings for the year		
Net profit for the year (A)	10,968.06	8,447.82
Shares		
Weighted average number of equity shares for Basic EPS (B)	10,19,65,926	10,19,65,927
Add: Effect of dilution:		
– On account of outstanding employee based share based options (after bonus issue)	6,00,204	21,078
Weighted average number of equity shares for Diluted EPS (C)	10,25,66,130	10,19,87,005
(a) Basic earnings per share of face value of Re. 1 each (A/B)	10.76	8.28
(b) Diluted earnings per share of face value of Re. 1 each (A/C)	10.69	8.28

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

24 Dues to micro enterprises and small enterprises

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	March 31, 2022	March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
– Principal	16.76	26.83
– Interest	–	–
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	–	–
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	–	–
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	–	–

Note: The list of undertakings covered under MSMED Act was determined by the Group on the basis of information available with the Group and has been relied upon by the auditors.

25 Segment reporting

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Chairman and CEO to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") who are the Group's Chairman and CEO evaluate the Group's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the Group is presented. The Group's operations fall within a single business segment "Diagnostic services".

B. Major customers

Revenue from any single customer of the Group's operating segment does not exceed 10% of the total revenue reported and hence, the Management believes that there are no major customers to be disclosed.

26 Purchase commitments towards reagent kits

The Company has entered into agreements with certain suppliers for purchase of reagents which include the right to use equipment during the life of the agreement in addition to purchase of minimum committed quantities of reagents every year. These agreements are in substance, cost of reagents and services arrangements provided by the supplier on an annual basis and the minimum purchase commitments therein do not result in more than insignificant penalty on termination of the agreement. The cost of reagents which includes the cost of rental of the equipment is recorded as cost of material consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27 Employee benefit plans

The Group has following post employment benefit plans:

(a) Defined contribution plans

Contributions were made to provident fund and Employees' State Insurance in India for the employees of the Group as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the year in the consolidated statement of profit and loss towards defined contribution plan is ₹ 344.23 lakhs (March 31, 2021: ₹ 299.25 lakhs).

(b) Defined benefit plan

The Group provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of ₹ 20 lakhs.

The Gratuity plan of the Parent Company is administered through a Gratuity Scheme with Life Insurance Corporation of India ('LIC'). The Parent Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. The Gratuity plans of subsidiaries are unfunded.

This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

i. Reconciliation of the net defined benefit (asset)/ liability

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Opening balance	453.13	204.97	248.16	381.45	147.28	234.17
Current service cost	97.91	–	97.91	88.93	–	88.93
Interest expense/ (income)	27.64	(12.61)	15.03	23.74	(9.29)	14.45
Recognised in statement of profit or loss	125.55	(12.61)	112.94	112.67	(9.29)	103.38
Remeasurements						
Return on plan assets, excluding amounts included in interest expense	–	16.85	16.85	–	2.40	2.40
Actuarial (gains)/ losses arising from:						
– Changes in demographic assumptions	–	–	–	–	–	–
– Changes in financial assumptions	(11.57)	–	(11.57)	4.10	–	4.10
– Experience variance (i.e. actual experience vs assumptions)	(32.88)	–	(32.88)	(6.34)	–	(6.34)
Re-measurements recognised in other comprehensive income	(44.45)	16.85	(27.60)	(2.24)	2.40	0.16
Contribution paid to the plan	–	74.86	(74.86)	–	81.84	(81.84)
Benefits paid	–	(3.41)	(3.41)	(38.75)	(31.04)	(7.71)
Closing balance	534.23	279.00	255.23	453.13	204.97	248.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27 Employee benefit plans (Contd..)

ii. Plan assets

Plan assets comprises of the following:

	March 31, 2022	March 31, 2021
Funds managed by Life Insurance Corporation of India	100%	100%

iii. Actuarial assumptions

Principal actuarial assumptions for defined benefit obligation are as follows:

	March 31, 2022	March 31, 2021
Discount rate	6.50%	6.15%
Salary escalation rate	8.00%	8.00%
Attrition rate	10.00% to 15.00%	10.00% to 15.00%

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Attrition rate: Represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iv. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	Change in assumption		Impact on defined benefit obligation					
			Increase in assumption			Decrease in assumption		
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021	
Discount rate	1.00%	1.00%	Decrease by	30.21	27.83	Increase by	33.78	31.19
Salary escalation rate	1.00%	1.00%	Increase by	32.98	30.34	Decrease by	30.10	27.64
Attrition rate	50.00%	50.00%	Decrease by	26.72	27.31	Increase by	41.55	43.90

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the consolidated balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

v. Expected contributions to the plan for the next annual reporting period

Expected contribution to post-employment benefit plans for the next year ending March 31, 2023 is ₹ 327.47 lakhs (March 31, 2022: ₹ 311.10 lakhs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

27 Employee benefit plans (Contd..)

vi. Maturity profile of the defined benefit liability

The weighted average duration of the defined benefit obligation is 6 years (March 31, 2021: 7 years). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 Years
March 31, 2022	70.74	242.67	226.42	283.82
March 31, 2021	52.20	217.86	203.42	250.56

28 Share based payments

VDCL Employee Stock Option Plan 2018 "The Plan" or "ESOP 2018"

The shareholders of the Company approved "VDCPL Employee Stock Option Plan 2018 (ESOP 2018)" at the Extraordinary General Meeting held on May 03, 2018 and subsequently it was amended at the extraordinary general meeting held on March 25, 2021 and August 26, 2021 to grant a maximum of 1,625,000 options to specified categories of employees of the Company. Each option granted and vested under ESOP 2018 shall entitle the holder to acquire one equity share of face value of ₹ 1 each of the Company.

The Plan consists of six schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees.

Vested options can be exercised over a period of ten years from the grant date. The Exercise Price is the fair value of the equity share as on the date of the grant or as decided by the Nomination and remuneration committee. The time and performance based options under Scheme 1, 2, 3, 4, 5 and 6 become vested as below:

The time and performance based options under Scheme 1 become eligible on an annual basis at 30%, 30%, 20% and 20% over a period of four years and vesting starts from second year. The time and performance based options under Scheme 2 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 3 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years and vesting starts from third year. The time based options under Scheme 4 become eligible on annual basis at 100% and vest on second year from the grant date. The time based options under Scheme 5 become eligible and vest on an annual basis at 25%, 25%, and 50% over a period of three years. The time based options under Scheme 6 become eligible on an annual basis at 0%, 25%, 50% and 25% over a period of four years and The performance based options under Scheme 6 become eligible on an annual basis at 25%, 25%, 25% and 25% over a period of four years.

The fair value of equity share options is estimated at the date of grant using Black- Scholes model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 50% of stock options are expected to be vested and exercised, accordingly the total compensation cost recognised in the statement of profit and loss is ₹ 113.56 lakhs (March 31, 2021: ₹ 19.55 lakhs).

(A) Details of options granted under ESOP 2018 by the Board/Nomination and Remuneration committee are as below:

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in ₹)	Fair value at grant date (in ₹)
1st Grant	10-May-18	4,63,750	–	220.00	222.10
2nd Grant	31-Oct-18	9,000	–	233.90	233.90
3rd Grant	01-Apr-19	75,780	–	236.90	236.90
4th Grant*	25-Mar-21	8,66,853	7,59,956	111.11	111.11

* The aforementioned shares are post subdivision of equity shares (refer note 10(a)(vii) and before bonus issue (refer note 10(viii)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

28 Share based payments (Contd..)

(B) The movement of stock options during the period (in No's) :

Particulars	No. of Stock options
As at April 01, 2020	2,14,230
Granted during the year	3,85,278
Vested/exercisable during the year	—
Forfeited/lapsed during the year	(55,000)
Exercised during the year	—
As at March 31, 2021	5,44,508
Forfeited/lapsed during the year before bonus issue	(1,59,230)
Adjustment towards bonus issue	4,81,575
Vested/exercisable during the year	1,11,878
Forfeited/lapsed during the year after bonus issue	(1,06,897)
Exercised during the year	—
As at March 31, 2022	7,59,956

(C) Disclosures as per IND AS 102 for outstanding options * :

	As at March 31, 2022	As at March 31, 2021
Weighted average exercise price for outstanding options at year end (in INR)	111.11	107.81
Weighted average remaining contractual life for outstanding options at year end	8.99 years	9.19 years
Range of exercise prices for outstanding options at year end (in INR)	111.11	98 - 111

* The aforementioned shares are post subdivision of equity shares (refer note 10(a)(vi) and the effect of bonus issue (refer note 10(vii))).

(D) The key assumption used to estimate the fair value of stock option as on grant date:

Grant date	Dividend yield	Risk-free interest rate	Expected life of options granted in years	Expected volatility
10-May-18	0%	7.95%	5.5 Years to 7 Years	21.32%
31-Oct-18	0%	7.84%	5.5 Years to 7 Years	24.95%
01-Apr-19	0%	7.15%	5.5 Years to 7 Years	29.52%
25-Mar-21	0%	6.12%	5.5 Years to 7 Years	43.78%

* The aforementioned shares are post subdivision of equity shares (refer note 10(a)(vi) and the effect of bonus issue (refer note 10(vii))).

29 Related parties

(a) Details of related parties

Description of relationship	Name of the related parties
Person exercising control	Dr. S Surendranath Reddy (Executive Chairman) (also a KMP)
Key Management Personnel (KMP)	Dr. S Surendranath Reddy (Executive Chairman)
	S Suprita Reddy (Chief Executive Officer)
	K Sunil Chandra (Executive Director)
	S Geetha Reddy (Director)
	Nishanth Sharma (Nominee Director upto 07 March 2022)
	Anusha Kanumuru (Company Secretary w.e.f 08 Nov 2021)
	V Sri Lakshmi (Company Secretary upto 08 Nov 2021)
	Narasimha Raju.K.A (Chief Financial Officer w.e.f 1 May 2021)
	Sandhya Rani.S (Chief Financial Officer up to 18 April 2021)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29 Related parties (Contd..)

Description of relationship	Name of the related parties
Enterprise where KMP has Significance Influence	Vijaya Hospitals Private Limited Summit Nutraceuticals Private Limited Kshetra Agritech Private Limited Trikona Pharmaceuticals Private Limited Trikona Holdings LLP Vijaya Holdings India LLP S Square Properties LLP Park Health Systems Private Limited IFFCO Kisan Sez Limited
Relative of KMP	B Vishnu Priya (Wife of K Sunil Chandra) C Damodar Reddy (Husband of S Suprita Reddy) C Rhea Reddy (Daughter of S Suprita Reddy) C Arjun Reddy (Son of S Suprita Reddy) S Suhas Reddy (Son of K Sunil Chandra) S Sushmita Reddy (Daughter of K Sunil Chandra)
Independent Directors	Dr.D.Nageshwar Reddy (w.e.f 26 May 2021) Mr. S P Singh (w.e.f 26 May 2021) Mr. Satyanarayana Murthy Chavali (w.e.f 26 May 2021) Mr. P S Narasimha (upto 21 Aug 2021) Dr. Manjula Anagani (w.e.f 22 Aug 2021)
Controlled Trust	Vijaya Diagnostic Charitable Trust

(b) Details of transactions during the year/period

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent paid		
Dr. S Surendranath Reddy	433.10	362.70
K Sunil Chandra	105.54	72.21
S Suprita Reddy	70.14	40.79
S Geetha Reddy	374.44	227.75
B Vishnu Priya	1.66	1.49
Vijaya Hospitals Private Limited	112.09	89.45
Rental deposits given, net *		
Dr. S Surendranath Reddy	—	—
S Suprita Reddy	12.56	8.24
K Sunil Chandra	—	8.24
S Geetha Reddy	12.56	42.36
Purchase of consumables		
Park Health Systems Private Limited	—	1.00
Sale of services		
Park Health Systems Private Limited	55.23	65.41
Interest expense		
Dr. S Surendranath Reddy	3.50	22.80
K Sunil Chandra	0.52	3.40
Loans Repaid		
Dr. S Surendranath Reddy	285.00	—
K Sunil Chandra	42.50	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

29 Related parties (Contd..)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration to KMP and their relatives		
Dr. S Surendranath Reddy	196.67	165.00
K Sunil Chandra	93.33	55.00
S Suprita Reddy	254.17	137.50
Salaries to KMP		
Sri Lakshmi.V	6.54	8.53
Anusha Kanumuru	5.74	–
Sandhya Rani.S	52.02	86.48
Narasimha Raju K.A	56.06	–
Independent directors sitting fee/commision		
Dr. D.Nageshwar Reddy	12.00	–
Mr. S P Singh	12.00	–
Mr. Satyanarayana Murthy Chavali	12.00	–
Dr. Manjula anagani	9.00	–

(c) Amounts due (to)/ from related parties

	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent payable		
Vijaya Hospitals Private Limited	9.22	–
B Vishnu Priya	0.14	–
Rental deposits *		
Vijaya Hospitals Pvt. Ltd.	34.95	34.95
Dr. S Surendranath Reddy	114.14	114.14
S Suprita Reddy	38.15	25.59
K Sunil Chandra	33.00	33.00
S Geetha Reddy	130.17	117.61
B Vishnu Priya	0.72	0.72
Trade receivables		
Park Health Systems Private Limited	3.31	6.61
Loans outstanding		
Dr. S Surendranath Reddy	–	(285.00)
K Sunil Chandra	–	(42.45)
Interest payable		
Dr. S Surendranath Reddy	–	(131.81)
K Sunil Chandra	–	(13.87)
Salaries payable to KMP	–	–
Anusha Kanumuru	1.10	–
Narasimha Raju K.A	3.48	–

Note:

- All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted.)
- Managerial remuneration does not include provision for gratuity and leave encashment which is determined for the Company as a whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

30 Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on equity so as to provide returns to shareholders, benefits to other stakeholders, creditors and to sustain future development and growth of the business. In order to maintain the capital structure, the Group monitors the return on capital as well as debt to total equity ratio. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves.

Particulars	March 31, 2022	March 31, 2021
Total debt	63.46	447.14
Total equity	46,954.24	35,923.26
Debt equity ratio	0.00	0.01

The Group's bank balances as at March 31, 2022 are ₹ 19,237.60 lakhs (March 31, 2021: ₹ 20,011.00 lakhs) which are significantly higher than the debt outstanding of ₹ 63.46 lakhs (March 31, 2021: ₹ 447.14 lakhs). Nominal debt is being maintained to establish credit history for any future requirements.

31 Financial instruments

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	March 31, 2022		March 31, 2021		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
Financial assets						
Investments						
– in mutual funds - FVTPL	6 (a)	–	5,423.55	–	2,762.73	Level 1
– in equity instruments - FVOCI	6 (a)	–	4.00	–	4.00	Level 3
Trade receivables	6 (b)	977.09	–	670.45	–	
Cash and cash equivalents	6 (c)	1,104.99	–	668.56	–	
Other bank balances	6 (d)	18,130.69	–	18,755.50	–	
Other financial assets	6 (e)	1,269.24	–	1,741.10	–	
Total financial assets		21,482.01	5,427.55	21,835.61	2,766.73	
Financial liabilities						
Borrowings	11 (a)	63.46	–	447.14	–	
Lease liabilities	4 (c)	18,282.80	–	13,657.46	–	
Trade payables	11 (b)	2,163.87	–	2,216.19	–	
Other financial liabilities	11 (c) 11 (d)	2,480.30	–	634.36	–	
Total financial liabilities		22,990.43	–	16,955.15	–	

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

Investment in equity instruments: The fair value of investment in equity instruments approximate to its carrying value. Hence, no fair value gain/ (loss) is accounted in OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Financial instruments (Contd..)

Name of financial asset	Valuation technique	Significant unobservable inputs
Investment in unquoted equity shares	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets	Long term, growth rate, Discount rate Revenue multiple

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in the current financial year and no transfers in either direction in the last financial year.

iii. Level 3 fair values

Particulars	FVOCI Equity securities	
	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	4.00	4.00
Investment made	–	–
Net change in fair value (Unrealised)	–	–
Balance as at the end of the year	4.00	4.00

A one percentage change in the unobservable inputs used in the fair valuation of level 3 assets does not have a significant impact in the fair value of the financial instrument.

Fair valuation and risk management

C. Financial Risk Management

The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits and investment in mutual funds.

The Group's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.

The Group has no significant concentration of credit risk with any counterparty.

Trade receivables and loans

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

31 Financial instruments (Contd..)

Expected credit loss (ECL) assessment for individual customers:

As per simplified approach, the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

	Less than 180 days	More than 180 days	Provision	Total
March 31, 2022	711.95	417.96	(152.82)	977.09
March 31, 2021	655.23	168.47	(153.24)	670.46

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	153.24	165.36
Add: Allowance measured at lifetime expected credit loss	–	33.88
Less: Amounts written off	–	–
Balance at the end of the year	152.82	153.24

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by credit rating agencies. Investments of surplus funds are made only with approved financial institutions. Investments primarily include investments in mutual funds.

The security deposit pertains to rent deposit given to lessors. The Company does not expect any losses from non-performance by these counter-parties

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The finance team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/ short liquidity is managed in the form of current borrowings, bank deposits and investment in mutual funds as per the approved frame work."

Exposure to liability risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2022	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings (including current maturities of long-term borrowings)	63.46	63.46	63.46	–	–	–
Lease liabilities	18,282.80	28,464.75	2,703.68	2,703.57	7,473.54	15,583.96
Trade payables	2,163.87	2,163.87	2,163.87	–	–	–
Deferred payment liabilities - on purchase of medical equipments	23.39	23.39	23.39	–	–	–
Capital creditors	1,644.80	1,774.63	1,774.63	–	–	–
Other financial liabilities	812.11	808.39	808.39	–	–	–
	22,990.43	33,298.49	7,537.42	2,703.57	7,473.54	15,583.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

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31 Financial instruments (Contd..)

March 31, 2021	Carrying amount	Total	Contractual cash flows			
			Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings (including current maturities of long-term borrowings)	447.14	447.14	119.69	327.45	–	–
Lease liabilities	13,657.46	21,043.38	2,143.19	2,217.30	6,590.95	10,091.94
Trade payables	2,216.19	2,216.19	2,216.19	–	–	–
Deferred payment liabilities - on purchase of medical equipments	104.84	111.27	86.96	24.31	–	–
Capital creditors	68.07	68.07	68.07	–	–	–
Other financial liabilities	461.45	461.45	461.45	–	–	–
	16,955.15	24,347.50	5,095.55	2,569.06	6,590.95	10,091.94

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iii. Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others - will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in Market interests rate. The Group's main interest rate risk arises from short-term borrowings with variable rates, which exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Overdraft from bank	63.46	119.69

Sensitivity

Particulars	Impact on profit and loss	
	March 31, 2022	March 31, 2021
1% increase in interest rate	(0.63)	(1.20)
1% decrease in interest rate	0.63	1.20

The interest rate sensitivity is based on the closing balance of loans from banks.

32 Disclosure as per Ind AS 115 - Revenue from contracts with customers

A. Contract balances

Particulars	As at March 31, 2022	As at March 31, 2021
Contract assets	–	–
Contract liabilities	–	–
– Advances from customers	–	–
– Contract liability- deferred revenue	23.45	20.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

32 Disclosure as per Ind AS 115 - Revenue from contracts with customers (Contd..)

B. Movement in contract liabilities during the year

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Revenue		
Balance at the beginning of the year	20.99	27.50
Less: Revenue recognised from above	(12.78)	(15.69)
Add: Addition during the year	15.24	9.18
Balance at the end of the year	23.45	20.99

C. Reconciliation of Revenue from contract with customers

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue from contract with customer as per the contract price	46,457.85	37,823.59
Adjustments made to contract price on account of :-		
Discount / Rebates	(246.57)	(178.17)
Revenue from contract with customer	46,211.28	37,645.42
Other operating revenue	25.71	29.15
Revenue from operations	46,236.99	37,674.57

33 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Act.

S No	Name of Company	March 31, 2022							
		Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income / (loss)		Share in total comprehensive income / (loss)	
		Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)
	Parent								
	Vijaya Diagnostic Centre Limited	46,998.04	100.09%	10,810.47	97.68%	19.10	92.45%	10,829.57	97.67%
	Subsidiaries (including step down subsidiaries)								
1	Medinova Diagnostic Services Limited	(346.84)	-0.74%	206.89	1.87%	2.09	10.14%	208.99	1.88%
2	VDC Diagnostic (Karnataka) LLP	413.09	0.88%	17.67	0.16%	-	0.00%	17.67	0.16%
3	Doctors Lab Diagnostic Centre Private Limited	116.89	0.25%	1.75	0.02%	-	0.00%	1.75	0.02%
4	Medinova Millennium MRI Services LLP	(37.19)	-0.08%	30.64	0.28%	-	0.00%	30.64	0.28%
5	Namrata Diagnostic Centre Private Limited	(124.94)	-0.27%	(1.25)	-0.01%	-	0.00%	(1.25)	-0.01%
	Non-controlling interest in all subsidiaries	132.31	0.28%	98.70	0.89%	0.59	2.86%	99.29	0.90%
	Total	47,151.36	100.42%	11,164.86	100.89%	21.78	105.44%	11,186.66	100.89%
	Consolidation adjustments	(197.12)	-0.42%	(98.11)	-0.89%	(1.12)	-5.44%	(99.24)	-0.90%
	Net amount	46,954.24	100.00%	11,066.76	100.00%	20.66	100.00%	11,087.42	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

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33 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Act. (Contd..)

S No	Name of Company	March 31, 2021							
		Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)		Share in other comprehensive income / (loss)		Share in total comprehensive income / (loss)	
		Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)
	Parent								
	Vijaya Diagnostic Centre Limited	36,054.91	100.37%	8,282.15	97.29%	3.49	-262.41%	8,285.64	97.35%
	Subsidiaries (including step down subsidiaries)								
1	Medinova Diagnostic Services Limited	(555.82)	-1.55%	216.57	2.54%	(4.82)	362.41%	211.75	2.49%
2	VDC Diagnostic (Karnataka) LLP	395.41	1.10%	20.98	0.25%	-	0.00%	20.98	0.25%
3	Doctors Lab Diagnostic Centre Private Limited	115.14	0.32%	45.82	0.54%	-	0.00%	45.82	0.54%
4	Medinova Millennium MRI Services LLP	(67.84)	-0.19%	(26.10)	-0.31%	-	0.00%	(26.10)	-0.31%
5	Namrata Diagnostic Centre Private Limited	(123.69)	-0.34%	(26.73)	-0.31%	-	0.00%	(26.73)	-0.31%
	Non-controlling interest in all subsidiaries	(40.39)	-0.11%	(3.11)	-0.04%	(0.10)	7.52%	(3.21)	-0.04%
	Total	35,777.72	99.59%	8,509.58	99.96%	(1.43)	107.52%	8,508.15	99.96%
	Consolidation adjustments	145.54	0.41%	3.07	0.04%	0.10	-7.52%	(151.04)	-1.77%
	Net amount	35,923.26	100.00%	8,512.65	100.00%	(1.33)	100.00%	8,511.32	98.19%

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions/ profits/ Consolidation adjustments have been disclosed separately. Based on the group structure, the Management is of the view that the above disclosure is appropriate under requirements of the Act.

34 During the year ended 31 March 2022 and March 31, 2021 the outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy. The Group is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its employees, vendors and business partners. The Group based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact on the financial statements. Based on the current estimates, the Group expects to fully recover the carrying amount of assets, and does not foresee any material adverse impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.

35 The Company has received a letter dated July 5, 2021 and March 14, 2022 under section 37 of the Foreign Exchange Management Act, 1999 read with section 133(6) of the Income Tax Act, 1961 from the Directorate of Enforcement, Government of India ("ED") requesting certain information for the purpose of their investigation. The Company has responded to the ED letter by letter dated August 5, 2021 and March 31, 2022 by providing the information requested for. The letter has only sought certain information, which has been complied with, and it is not a show cause notice or demand letter at this stage, and there is no impact to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

36 In February 2019, the Honorable Supreme Court of India vide its judgement, clarified the definition and scope of 'Basic Wages' under the Employees' Provident Funds & Miscellaneous Provision Act, 1952. The judgement is silent on the retrospective application and in the absence of any guidelines by the regulatory authorities and considering the practical difficulties, no effect is given for the earlier periods as the same is currently not determinable.

37 Comparative figures

The Comparative figures for the previous year have been re-arranged to conform with the current year presentation of the accounts.

38 Subsequent events

Subsequent to March 31, 2022, the Board of Directors of the Holding Company at its meeting held on 26 May 2022 has recommended a final dividend of Re. 1.00 per equity share which is subject to approval at the ensuing Annual General Meeting of the Holding Company and hence was not recognised as a liability.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024

Amit Kumar Bajaj

Partner

Membership Number: 218685

Place: Hyderabad

Date: May 26, 2022

For and on behalf of the Board of Directors of

Vijaya Diagnostic Centre Limited

(formerly known as Vijaya Diagnostic Centre Private Limited)

CIN:U85195TG2002PLC039075

Dr. S. Surendranath Reddy

Executive Chairman

DIN Number: 00108599

Place: Hyderabad

Date: May 26, 2022

S. Suprita Reddy

Chief Executive Officer

Narasimha Raju K.A.

Chief Financial Officer

K. Sunil Chandra

Executive Director

DIN Number: 01409332

Anusha Kanumuru

Company Secretary

Membership No. A31288



**VIJAYA
DIAGNOSTIC
CENTRE**®

Vijaya Diagnostic Centre Limited

Corporate Office

Ground Floor, FPAI Building, Punjagutta Officers Colony,
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Email: ir@vijayadiagnostic.in

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Registered Office

3-6, 16 and 17, Street Number 19, Lane Opposite Tanishq,
Himayatnagar, Hyderabad-500 029, Telangana

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