MedPlus Health Services Limited

November 10, 2023

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

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

Dear Sir/Madam,

Subject: Notice of the meeting of the Equity Shareholders and Unsecured Creditors of the Company pursuant to the Order of the National Company Law Tribunal("NCLT"), Hyderabad Bench-1

Ref: Scheme of Amalgamation of MHS Pharmaceuticals Private Limited ("Transferor Company") with MedPlus Health Services Limited ("Transferee Company" or "Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") and the rules framed thereunder ("Scheme of Amalgamation")

Dear Sir / Madam,

In the matter of the Scheme of Amalgamation, the National Company Law Tribunal, Hyderabad Bench - 1 ('NCLT') vide its Order dated November 7, 2023 has directed separate meetings of the Equity Shareholders and the Unsecured Creditors of the Company to be held for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation.

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013, please find enclosed herewith a copy of the Notice(s) of the separate meeting of the Equity Shareholders and the Unsecured Creditors of the Company to be convened as per the directions of the Hon'ble NCLT.

Brief details of the meetings are as under:

Particulars	Equity Shareholders	Unsecured Creditors
Day and Date	Friday, December 15, 2023	Friday, December 15, 2023
Time	12:30 P.M.	02:30 P.M.
Cut-off date for e-voting	Friday, December 8, 2023	Tuesday, October 31, 2023
E-voting start date and time	Tuesday, December 12, 2023 at 09:00 A.M.	Friday, December 15, 2023 at 02:30 P.M.
E-voting end date and time	Thursday, December 14, 2023 at 05:00 P.M.	Friday, December 15, 2023

The Company has provided the remote e-voting facility to its Equity Shareholders and Un-secured Creditors (as on the cut-off date) to cast their votes on the resolution to consider and approve the Scheme of Amalgamation at the respective meetings. The Company has engaged the services of KFin Technologies Limited ("KFin") to provide the said e-voting facility.

In compliance with the Listing Regulations, the same is also available on the website of the Company at www.medplusindia.com

The Result of remote e-voting shall be declared on or before December 17, 2023.

This is for your information and record.

Yours faithfully,
For MedPlus Heath Services Limited

MANOJ KUMAR SRIVASTAVA
Digitally signed by MANOJ KUMAR SRIVASTAVA

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

Enclosed: Copy of Notice of EGM

MedPlus Health Services Limited

NOTICE OF THE TRIBUNAL CONVENED MEETING OF EQUITY SHAREHOLDERS OF MEDPLUS HEALTH SERVICES LIMITED AS PER THE DIRECTIONS OF HYDERABAD BENCH OF NATIONAL COMPANY LAW TRIBUNAL

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

IA (COMPANIES ACT) NO. 266/2023

IN

COMPANY APPLICATION NO. CA (CAA) NO. 55/230/HDB/2023

IN THE MATTER OF MHS PHARMACEUTICALS PRIVATE LIMITED ("THE TRANSFEROR COMPANY")

AND

IN THE MATTER OF MEDPLUS HEALTH SERVICES LIMITED ("THE TRANSFEREE COMPANY")

(UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER)

MEETING OF EQUITY SHAREHOLDERS OF MEDPLUS HEALTH SERVICES LIMITED

Day	Friday
Date	December 15, 2023
Time	12:30 PM IST
Venue and Mode of the Meeting	As per the directions of the Hon'ble National Company Law Tribunal, Hyderabad Bench, the meeting shall be conducted through Video Conferencing/ Other Audio-Visual Means.
Details of E-Voting:	
Cut-off date for e-voting	December 08, 2023
Remote e-voting start date	December 12, 2023 (9:00 Hrs IST)
Remote e-voting end date	December 14, 2023 (17:00 Hrs IST)
E-voting at the Meeting	December 15, 2023, during the meeting (venue e-voting).

S. No	Particulars	Page No.
1.	Notice of the Tribunal Convened meeting of the Equity Shareholders of MedPlus Health Services Limited ("Transferee Company") to be convened as per the directions of Hon'ble National Company Law Tribunal, Hyderabad Bench.	3-13
2.	Explanatory Statement under Section 230(3) and 232(2) read with Section 102 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013.	14-24
3.	**Annexure A** Scheme of Amalgamation of MHS Pharmaceuticals Private Limited with MedPlus Health Services Limited and their respective Shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**").	25-54
4.	**Annexure B** Auditors Certificate, in relation to the Transferor and Transferee Company, confirming that the Accounting Treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.	55-59
5.	**Annexure C** Report adopted by the Board of Directors of MedPlus Health Services Limited in meeting held on January 9, 2023, pursuant to Section 232(2)(c) of the Act, explaining effect of the Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any.	60-62
6.	**Annexure D** Report adopted by the Board of Directors of MHS Pharmaceuticals Private Limited in meeting held on January 9, 2023, pursuant to Section 232(2)(c) of the Act, explaining effect of the Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any.	63-65
7.	**Annexure E** Audited financial statements for the period ended March 31, 2023 and the unaudited financial statement as on June 30, 2023 of MedPlus Health Services Limited.	66-204
8.	**Annexure F** Audited financial statements for the period ended March 31, 2023 and the unaudited financial statement as on June 30, 2023 of MHS Pharmaceuticals Private Limited.	205-257

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

IA (COMPANIES ACT) NO. 266/2023

IN

COMPANY APPLICATION NO. CA (CAA) NO. 55/230/HDB/2023

IN THE MATTER OF MHS PHARMACEUTICALS PRIVATE LIMITED ("THE TRANSFEROR COMPANY")

AND

IN THE MATTER OF MEDPLUS HEALTH SERVICES LIMITED ("THE TRANSFEREE COMPANY")

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF MEDPLUS HEALTH SERVICES LIMITED ("COMPANY")

Notice is hereby given that by an Order dated November 07, 2023 the Hyderabad Bench of the Hon'ble National Company Law Tribunal ("hereinafter referred to as **"Order"**) has directed a meeting of Equity Shareholders of the **Transferee Company/ Company** for the purpose of considering, and if thought fit, approving with or without modifications, the Scheme of Amalgamation proposed between MHS Pharmaceuticals Private Limited ("**Transferor Company**") with MedPlus Health Services Limited ("**Transferee Company**") and for matters consequential, supplemental and/or otherwise integrally connected therewith ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of equity shareholders ("**Equity Shareholders**") of the **Transferee Company/Company** will be held on **Friday, the 15th day of December 2023** at **12:30 PM IST** through Video Conferencing/ Other Audio-Visual Means ("**VC/OAVM**") ("**Meeting**") to transact the business mentioned herein, following inter-alia the operating procedures (with requisite modification(s) as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020 read with the General Circular Nos. 17/2020 dated April 13, 2020, 22/2020 dated 15 June, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, General Circular no. 10/2021 dated June 23, 2021, General Circular no. 20/2021 dated December 08, 2021, General Circular no. 03/2022 dated May 05, 2022, General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of corporate Affairs, Government of India (collectively referred to as "**MCA Circulars**") and Circular No. SEBIAIO/CFD/CMD l/CIR/P/2020/79 dated May 12, 2020 read with the Circular No. SEBLHO**.** CFD/CMD2/CIR/P/202l/11 dated January 15, 2021 Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 along with other relevant circulars in this regard issued by the Securities and Exchange Board of India (collectively referred to as "**SEBI Circulars**"). The said Equity Shareholders are requested to attend the Meeting.

A copy of the Scheme of amalgamation, Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with the Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the index are enclosed herewith. A copy of this Notice and the accompanying documents will be available on the website of the Company viz. https://www.medplusindia.com and also on the website of BSE Limited ("BSE") at www.bseindia.com and the National Stock Exchange of India Limited at www.nseindia.com.

Copies of the aforesaid Scheme, Notice along with the explanatory statement under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge, between 11:00 Hrs IST to 13:00 Hrs IST on any day (except Saturday, Sunday and public holidays) upto the date of Meeting at the Registered Office of the Transferee Company/Company situated at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad - 500037, Telangana, India or by writing email to the Company at **cs@medplusindia.com/ ir@medplusindia.com**.

The Hon'ble Tribunal has appointed Mr. Sachin Sharma, Advocate as the Chairperson and Ms. Krithika Sharma, PCS as the Scrutinizer for the Meeting.

The abovementioned Scheme of amalgamation, if approved by the Equity Shareholders in the Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

The results shall be declared within the stipulated time from conclusion of the Meeting. The results declared will be placed on the website of the Company at https://www.medplusindia.com and the website of KFin: https://evoting.kfintech.com immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.

The Board of Directors of the Company at its meeting held on January 9, 2023, approved the said Scheme, subject to the sanction of the Hon'ble Tribunal and of such other authorities as may be necessary.

In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme of amalgamation shall be considered approved by the Equity Shareholders only, if the Scheme is approved by majority of persons representing three-fourth in value of the shareholders of the Transferee Company, voting through VC/OAVM or by remote e-voting.

This notice is given for consideration of the resolution mentioned below to be passed at the Meeting.

RESOLUTION:

To consider and approve the Scheme of Amalgamation of MHS Pharmaceuticals Private Limited ("Transferor Company") with MedPlus Health Services Limited ("Transferee Company/Company") and their respective shareholders and creditors:

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution to be passed by members with requisite value in terms of Section 230 and Section 232 of the Companies Act, 2013.

"**RESOLVED THAT** pursuant to the provisions of Section 230 and 232 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder and related circulars and notifications thereto as applicable under the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and enabling provisions in the Memorandum of Association and Articles of Association of the Company and subject to the approval and such other modifications as may be made by the Hyderabad Bench of Hon'ble National Company Law Tribunal and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary, the proposed arrangement embodied in the Scheme of Amalgamation of the MHS Pharmaceuticals Private Limited ("Transferor Company") and MedPlus Health Services Limited ("Transferee Company") and their respective shareholders and creditors ("**Scheme**"), placed before this meeting be and is hereby approved by the Equity Shareholders of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions,

if any, which may be required and/or imposed by the Tribunal while sanctioning the Scheme or by any authorities under law, as considered necessary in giving effect to the Scheme of amalgamation, as the Board may deem fit and proper**."**

For MedPlus Health Services Limited

Sd/-
Shri Sachin Sharma
Chairperson appointed for the Meeting

Place: Hyderabad
Date: November 10, 2023

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

Notes:

1. The Explanatory Statement pursuant to Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 concerning the special business as set out above is annexed hereto and forms part of this Notice.

2. In compliance with the relevant MCA circulars and SEBI circulars, and the provisions of the Act together with rules made thereunder and applicable standards and Listing Regulations read with the Order of NCLT, Hyderabad Bench, this Meeting is being held through VC/OAVM facility, without physical presence of the shareholders at a common venue, as per applicable procedures mentioned in the MCA Circulars, for the purpose of considering, and if thought fit, approving, the Scheme under the provisions of sections 230 of the Companies Act, 2013.The proceedings of this meeting would be deemed to have been conducted at the registered office of the Transferee Company located at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad - 500037, Telangana, India.

3. SINCE THIS MEETING IS BEING HELD THROUGH VC/OAVM PURSUANT TO THE APPLICABLE MCA AND SEBI CIRCULARS, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE MEETING AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.

4. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders as on December 08, 2023 (**Cut-off Date**). In case of joint holders, only such joint holder who is higher in the order of names willbe entitled to vote.In accordance with the MCA Circulars and the SEBI Listing Regulations, the Company is sending the Notice in electronic form only by e-mail to all Members, whose names appear in the Register of Members/Register of Beneficial Owners maintained by the Depositories viz., National Securities Depository Limited (the "NSDL") and Central Depository Services (India) Limited (the "CDSL") and who have registered their e-mail addresses, in respect of electronic holdings, with the Depository through the concerned Depository Participants and in respect of physical holdings, with the Registrar and Share Transfer Agent of the Company, KFin Technologies Limited ("RTA" or "KFintech"), in accordance with the provisions of the Act read with the rules framed thereunder and the framework provided under the MCA circulars. The Cut-off Date isfor determining the eligibility to vote by electronic means. A person who is not a member as on the Cut-off Date or who becomes a member of the Company after the Cut-off Date should treat this Notice for information only.

5. Members who have not registered their e-mail address are requested to register the same (i)with the Depository Participant(s) where they maintain their demat accounts, if the shares are held in electronic form, and (ii) Members holding shares in physical mode, who have not registered / updated their e-mail address with the Company, are requested to register /update their e-mail address by submitting Form ISR-1 (available on the website of the Company at www.medplusindia.com) duly filled and signed along with requisite supporting documents to KFintech at Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.

6. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently. However, it is clarified that all Members of the Company as on the cut-off date of Friday,December08, 2023 (including those Members who may not have received this Notice due to non-registration of their e-mail addresses with the Company/RTA/Depositories) shall be entitled to vote in relation to the aforementioned Resolution in accordance with the process as specified in this Notice.

7. The advertisement confirming dispatch of this Notice, by electronic mode, is also being published in the requisite newspapers. Requisite filings made with the Stock Exchange(s), are available on the corporate website of the Company and can be accessed by the Members on the web link: https://www.medplusindia.com/.

8. A Body Corporate which is an equity shareholder of the Company is entitled to appoint an authorised representative for the purpose of participating and/or voting during the meeting. Further, such Body Corporates (other than individuals, HUF, NRI etc.) are required to send scanned certified copy of the resolution authorising such representative to attend and vote at the meeting not later than 48 hours before the scheduled time of the meeting, to the e-mail address of the Company at: cs@medplusindia.com / ir@medplusindia.com or at the registered office of the Company. Such authorised representative should furnish his / her valid and legible identity proof issued by a statutory authority (i.e., a PAN Card/ Aadhaar Card/ Passport/ Driving License/ Voter ID Card) to the e-mail address of the Company at cs@medplusindia.com / ir@medplusindia.com or at the registered office of the Company, not later than 48 hours before the scheduled time of the meeting.

9. The remote e-voting period commences from 9:00 Hrs (IST) on December 12, 2023 and ends at 17:00 Hrs (IST) on December 14, 2023. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., December 08, 2023 may cast their votes electronically. The remote e-voting module shall be disabled for voting thereafter.

10. Members also have an option to vote at the meeting through e-voting. The procedure for e-voting during the Meeting is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM. E-voting during the Meeting is integrated with the VC/OAVM platform and no separate login is required for the same. Only those Members/ Shareholders, who will be present in the Meeting through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so shall be eligible to vote through e-voting system in the Meeting.

11. Members are requested to carefully read the instructions mentioned under the head 'Information and Instructions for remote e-voting and e-voting' in this Notice and record their assent (“FOR”) or dissent (“AGAINST”) on the proposed resolutions through the e-voting process.

12. All the documents referred to in this Notice will be available for inspection electronically without any fee by the Members from the date of circulation of this Notice until the date of the Meeting. Members seeking to inspect such documents can send an email to cs@medplusindia.com/ ir@medplusindia.com.

13. **SCRUTINISER FOR E-VOTING:** Ms. Krithika Sharma, PCS has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

14. **SUBMISSION OF QUESTIONS/QUERIES PRIOR TO MEETING:** Members of the Company, holding shares as on the Cut-off Date i.e. December 08, 2023 and who would like to express their views/ask questions during the meeting may log into https://emeetings.kfintech.com/ and click on “Post your Questions” may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number.

    Alternatively, Members may write to the Company’s investor email-id ir@medplusindia.com/ cs@ medplusindia.com, mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the Meeting.

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

The Company will, at the Meeting, endeavor, to address the queries received till 16:00 Hrs (IST) on December 13, 2023 from those Members who have sent queries from their registered email IDs. Please note that members' questions will be answered only if they hold shares as on the cut-off date.

15. **SPEAKER REGISTRATION BEFORE MEETING:** Members of the Company, holding shares as on the Cut-off Date i.e. December 08, 2023 and who would like to speak or express their views or ask questions during the Meeting may log into **https://emeetings.kfintech.com/ a**nd click on "Speaker Registration" by mentioning the demat account number/folio number, city, email id, mobile number and submit. The speaker registration shall commence from December 11, 2023 (10:00 Hrs IST) and close on December 13, 2023 (16:00 Hrs IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time at the Meeting.

16. **INSTRUCTIONS FOR MEMBERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**

Your Company will be providing the facility of live webcast of proceedings of Meeting. Members may access the platform to attend the Meeting through VC/OAVM at https://emeetings.kfintech.com by using their remote e-Voting credentials or by using their Registered Mobile number and OTP. The link for the Meeting will be available in the Shareholder/Members login where the "EVENT" and the "Name of the Company" can be selected. Please note that the Members who have not registered their e-mail address or 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 in this Notice. Further, Members can also use the OTP based login for logging into the e-meeting system.

i. In order to logon using the registered mobile number, Members should follow the instructions below.
ii. On the eMeeting webpage, use the Mobile OTP option.
iii. Select the Meeting / Name of the Company
iv. Input the Registered Mobile Number
v. Click on Send OTP
vi. Post validation, join by selecting the Folio.

During the live webcast of Meeting, Members may post their queries in the message box provided on the screen.

a) 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 in the notice.
b) Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
c) Members can join the Meeting in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice, and this mode will be available throughout the proceedings of the Meeting.
d) Members who need assistance before or during the Meeting can contact RTA viz., M/s.Kfin Technologies Ltd. Toll–free number – 1800 309 4001.

17. **PROCEDURE FOR REMOTE E-VOTING:**

In compliance with the provisions of section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFintech on all resolutions set forth in this Notice, through remote e-voting. Members are requested to note that the Company is providing facility for remote e-voting and the business may be transacted through electronic voting system. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

(i) REMOTE E-VOTING FACILITY

a. The Company is providing remote e-voting facility of KFinTech to its Members to exercise their right to vote on the proposed resolutions by electronic means.

b. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting:	**from 9:00 Hrs (IST) on December 12, 2023**
End of remote e-voting:	**ends at 17:00 Hrs (IST) on December 14, 2023**

c. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFinTech upon expiry of the aforesaid period.

d. The manner of remote e-voting by (i) individual shareholders holding shares of the Company in demat mode, (ii) Shareholders other than individuals holding shares of the Company in demat mode, (iii) shareholders holding shares of the Company in physical mode, and (iv) Members who have not registered their e-mail address, is explained in the instructions given hereinbelow.

(ii) INFORMATION AND INSTRUCTIONS RELATING TO REMOTE E-VOTING:

a. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.

b. Initial password is provided in the body of the email.

c. INFORMATION AND INSTRUCTIONS FOR REMOTE E-VOTING BY INDIVIDUAL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE: As per the SEBI Master Circular, all "individual shareholders holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. The procedure to login and access remote e-voting, as devised by the Depositories / Depository Participant(s), is given below:

PROCEDURE TO LOGIN THROUGH WEBSITES OF DEPOSITORIES

National Securities Depository Limited (NSDL)

1. **Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:**

i. Type in the browser / Click on the following e-Services link: https://eservices.nsdl.com

ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section.

Central Depository Services (India) Limited (CDSL)

1. **Users already registered for Easi / Easiest facility of CDSL may follow the following procedure**

i. Type in the browser / Click on any of the following links: https://web.cdslindia.com/myeasitoken/home/login or www.cdslindia.com and click on New System Myeasi

iii. A new page will open. Enter your User ID and Password for accessing IDeAS.
iv. On successful authentication, you will enter your IDeAS service login. Click on **"Access to e-Voting"** under **Value Added Services** on the panel available on the left hand side.
v. You will be able to see Company Name: "MedPlus Health Services Limited" on the next screen. **Click on the e-Voting link available against MedPlus Health Services Limited 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.

2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:

i. To register, type in the browser / Click on the following e-Services link: https://eservices.nsdl.com
ii. Select option "Register Online for IDeAS" available on the left hand side of the page.
iii. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.
iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3. Users may directly access the e-Voting module of NSDL as per the following procedure:

i. Type in the browser / Click on the following link: https://www.evoting.nsdl.com/.
ii. Click on the button "Login" available under "Shareholder/Member" section.
iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform) / through generation of OTP (in case your mobile /e-mail address is registered in your demat account) and Verification Code as shown on the screen.
iv. You will be able to see Company Name: "MedPlus Health Services Limited" on the next screen. Click on the e-Voting link available against MedPlus Health Services Limited 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.

/ Login to My Easi option under Quick Login (best operational in Internet Explorer 10 or above and Mozilla Firefox)
ii. Enter your User ID and Password for accessing Easi /Easiest.
iii. You will see Company Name: "MedPlus Health Services Limited" on the next screen. Click on the e-Voting link available against MedPlus Health Services Limited 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.

2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:

i. To register, type in the browser / Click on the following link: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration
ii. Proceed to complete registration using your DP ID-Client ID (BO ID), etc.
iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

3. Users may directly access the e-Voting module of CDSL as per the following procedure:

i. Type in the browser / Click on the following link: https://evoting.cdslindia.com/Evoting/EvotingLogin
ii. Provide Demat Account Number and PAN
iii. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account
iv. On successful authentication, you will enter the e-voting module of CDSL. Click on the **e-Voting link available against** MedPlus Health Services Limited **or select e-Voting service provider "KFinTech"** and you will be redirected to the e-Voting page of KFinTech to cast your vote without any further authentication.

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.

Procedure to login through their demat accounts / Website of Depository Participant

Individual shareholders holding shares of the Company in Demat mode can **access e-Voting facility provided by the Company using login credentials of their demat accounts** (online accounts) through their demat accounts / **websites of**

Depository Participants registered with NSDL / CDSL. An option for **"e-Voting"** will be available once they have successfully logged-in through their respective logins. Click on the option **"e-Voting"** and they will be redirected to e-Voting modules of NSDL / CDSL (as may be applicable). **Click on the e-Voting link available against MedPlus Health Services Limited or select e-Voting service provider "KFinTech"** and you will be redirected to the e-Voting page of KFinTech to cast your vote without any further authentication. **If the Member is already registered with KFinTech's e-voting platform, then he / she / it can use his / her / its existing password for logging-in**.

Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" / "Forgot Password" options available on the websites of Depositories / Depository Participants.

Helpdesk for Individual **Members** 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

(iii) INFORMATION AND INSTRUCTIONS FOR E-VOTING BY (I) SHAREHOLDERS OTHER THAN INDIVIDUALS HOLDING SHARES OF THE COMPANY IN DEMAT MODE AND (II) ALL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN PHYSICAL MODE

I. (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:

a. Launch internet browser by typing the URL: https://evoting.kfintech.com.
b. Enter the login credentials (i.e. **User ID and password**). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 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 1800 309 4001 (from 09:00 Hrs (IST) to 17:00 Hrs (IST) on all working days) for assistance on your existing password.
c. After entering these details appropriately, Click on "**LOGIN**".
d. 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.**
e. You need to login again with the new credentials.
f. On successful login, the system will prompt you to select the "**EVENT**" i.e., Medplus Health Services Limited.
g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date of December 08, 2023 under "**FOR/AGAINST**" or alternatively, you may partially enter any number in "**FOR**" and partially in "**AGAINST**" but the total number in "**FOR/AGAINST**" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option "**ABSTAIN**". 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.
h. Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

i. 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.

j. You may then cast your vote by selecting an appropriate option and click on "**SUBMIT**". A confirmation box will be displayed. Click "**OK**" to confirm else "**CANCEL**" to modify. Once you have voted on the resolution, 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).

k. **Corporate and institutional Members** shall be entitled to vote only through their authorised representatives. Corporate and institutional Members are requested to send scanned certified true copy (PDF Format) of the board resolution/authority letter, power of attorney together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer by email acskriti@gmail.com with a copy marked to evoting@kfintech.com/ cs@medplusindia.com.

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

a. Members who have not registered their e-mail addresses and in consequence the Notice and e-voting credentials could not be served may temporarily get their e-mail address and mobile number registered with KFintech by clicking the link: https://ris.kfintech.com/emai_registration for receiving the same. Members are requested to follow the process as guided to capture the e-mail address and mobile number for receiving the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of queries, Members may write to einward.ris@kfintech.com.

b. Alternatively, Members may send an e-mail request to einward.ris@kfintech.com along with a scanned copy of the signed request letter providing the e-mail address, mobile number, self-attested PAN card copy and Client Master copy in case of the electronic folio and copy of share certificate in case of the physical folio for receiving the Notice and the e-voting instructions.

c. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

d. Follow the instructions at (I) (A) (a) to (m) to cast your vote.

II. Members can also update their mobile number and e-mail address in the "user profile details" in their e-voting login on https://evoting.kfintech.com.

III. Any Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from KFinTech 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> IN12345612345678
   2. Example for CDSL: MYEPWD <SPACE> 1402345612345678
   3. Example for Physical: MYEPWD <SPACE> XXXX1234567890

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

c. Members who may require any technical assistance or support are requested to contact KFintech at toll free number 1800-309-4001 or write to them at evoting@kfintech.com (from 09:00 Hrs. (IST) to 17:00 Hrs (IST) on all working days).

IV. In case of any query and/or grievance regarding e-voting, 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 may address their queries to the Company Secretary at cs@medplusindia.com OR KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company at their office at Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi – 500 032, Telangana, India or by sending a mail to evoting@kfintech.com or at toll free no. 1800-309-4001.

V. The Members are requested to:

(a) intimate to KFin, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form,

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

18. **VOTING AT THE MEETING:**

a) The procedure for e-voting during the Meeting is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM. E-voting during the Meeting is integrated with the VC/OAVM platform and no separate login is required for the same.
b) Only those Members/ Shareholders, who will be present in the Meeting through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the Meeting.
c) The e-Voting "Thumb sign" on the left-hand corner of the video screen shall be activated upon instructions of the chairman during the Meeting proceedings. Shareholders shall click on the same to take them to the "Instapoll" page.
d) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

For MedPlus Health Services Limited

Sd/-
Shri Sachin Sharma
Chairperson appointed for the Meeting

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

Place: Hyderabad
Date: November 10, 2023

EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 ("Act") READ WITH RULE 6 OF COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

1. Pursuant to order dated November 07, 2023 passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("**NCLT" / "Tribunal**"), a meeting of the Equity Shareholders of MedPlus Health Services Limited (the "**Transferee Company/Company**") is being convened through Video Conferencing/ Other Audio Visual Means ("**VC/OAVM**"), for the purpose of considering and if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Amalgamation of the MHS Pharmaceuticals Private Limited ("**Transferor Company**") and MedPlus Health Services Limited (**"Transferee Company"**) and their respective shareholders and creditors ("**Scheme**"). Notice of the said meeting together with the copy of the Scheme is sent herewith. This statement explaining the terms of the Scheme is being furnished, inter alia, as required u/s 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

2. Following are the details disclosing of the Scheme of Amalgamation:

1. **Background of the Transferor Company and the Transferee Company:**

Details of Transferor Company:

S. No	Category	Particulars
1.	Name of the Transferor Company	MHS Pharmaceuticals Private Limited
2.	CIN	U24233TG2008PTC059624
3.	PAN	AAGCM1711M
4.	Date of Incorporation	June 12, 2008
5.	Type of Transferor Company	Private Company
6.	Registered office of the Transferor Company and email id	#H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India. Email ID: cs@medplusindia.com
7.	Summary of main object as per the memorandum of association; and main business carried on by the Transferor Company	1. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products and in all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations. 2. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels, wallets, gift vouchers and any other products in and outside India. 3. To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.

<table>
<tr><td></td><td></td><td>Summary of the business carried on by the Transferor Company is as follows:

Transferor Company has been engaged inter alia in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical and pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, pharmaceuticals, medicinal preparations and FMCG products.</td></tr>
<tr><td>8.</td><td>Details of change of name, registered office and objects of the Transferor Company during the last 5 years.</td><td>Nil</td></tr>
<tr><td>9.</td><td>Name of the Stock Exchange(s) where the securities of the Transferor Company are listed, if applicable</td><td>Not Applicable</td></tr>
<tr><td>10.</td><td>Details of the capital structure as on September 30, 2023 of the Transferor Company</td><td>(In Rs)
<table><tr><th>Securities</th><th>Authorized Capital</th><th>Issued, Subscribed and paid-up</th></tr><tr><td>Equity shares</td><td>70,10,000 equity shares of Rs. 10 each amounting to Rs. 7,01,00,000</td><td>70,10,000 equity shares of Rs. 10 each amounting to Rs. 7,01,00,000</td></tr></table>
Subsequent the date mentioned herein, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferor Company.</td></tr>
<tr><td>11.</td><td>Name of the promoters and directors along with their addresses.</td><td>Promoters:
<table><tr><th>S. No</th><th>Name</th><th>Address</th></tr><tr><td>1.</td><td>MedPlus Health Services Limited</td><td>H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037 Telangana, India.</td></tr></table>
Directors:
<table><tr><th>S. No</th><th>Name</th><th>Address</th><th>DIN</th></tr><tr><td>1)</td><td>Paidiwar Srinivas</td><td>3-6-290/10 F-1C, Doyen Square Apts, Hyderguda, Basheerbagh, Himayathnagar, Hyderabad - 500029, Telangana, India.</td><td>00898824</td></tr><tr><td>2)</td><td>Prasad Reddy Battinapatla</td><td>1-5-1117/365, Road No.4, Hightension Road, Tirumalagiri - 500010, Telangana, India</td><td>09319738</td></tr><tr><td>3)</td><td>Bhaskar Reddy Cherukupalli</td><td>H No 17-277, Thiipparajuvari Head Post Office Nellore - 524001, Andhra Pradesh, India.</td><td>00926550</td></tr></table></td></tr>
</table>

<table>
<tr><td>12.</td><td>If the scheme of amalgamation relates to more than one Company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of arrangement, including holding, subsidiary or of associate companies.</td><td>The Transferee Company along with its nominees hold all the issued, subscribed and paid-up capital of the Transferor Company. The Transferor Company is a wholly-owned subsidiary of the Transferee Company.</td></tr>
<tr><td>13.</td><td>The date of the Board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/ participate on such resolution</td><td>The Board of Directors approved the Scheme of amalgamation on January 9, 2023.

The following Directors voted in favour of the resolution:
<table><tr><th>S. No</th><th>Name of Directors</th><th>Voting on the Resolution</th></tr><tr><td>1</td><td>Paidiwar Srinivas</td><td>Favour</td></tr><tr><td>2</td><td>Prasad Reddy Battinapatla</td><td>Favour</td></tr><tr><td>3</td><td>Bhaskar Reddy Cherukupalli</td><td>Favour</td></tr></table>
None of the Director voted against the resolution nor abstained from voting on such resolution.</td></tr>
</table>

Details of Transferee Company:

S. No	Category	Particulars
1.	Name of the Transferee Company	MedPlus Health Services Limited
2.	CIN	L85110TG2006PLC051845
3.	PAN	AAECM9412H
4.	Date of Incorporation	November 30, 2006
5.	Type of Transferee Company	Listed Public Company
6.	Registered office of the Transferee Company and email id	# H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India. Email ID: cs@medplusindia.com
7.	Summary of main object as per the memorandum of association; and main business carried on by the Transferee Company	1. To establish, run, take on hire or lease, maintain, organize and promote diagnostic centers, polyclinics, hospitals, clinics and blood banks. 2. Undertake Hospital Automation, Hospital management, Project Management, Health camps and launch Healthcare schemes. 3. To establish, set up, maintain, manage run or otherwise deal with pathological and radiological laboratory testing, clinical reference laboratory services, diagnostic services and to provide services and solutions relating to medical tests and clinical examinations for health care. 4. To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributors, stockists, agents, merchants, suppliers, representatives and dealers of Surgical & healthcare equipments, Ayurvedic Medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement , proteins and such other allied products on wholesale basis including setting up contract manufacturing facility.

		5. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products on wholesale basis and in all kinds of drugs. intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations. 6. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels, wallets, gift vouchers and any other products in and outside India. 7. To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business. 8. To carry on the business of wholesale trading, franchising, outsourcing, branding, factoring, promoting, distributing, marketing, negotiating, supplying, processing, of FMCG (fast moving consumer goods) of all kinds, varieties, and description such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue papers, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack foods, chocolates Summary of the business carried on by the Transferee Company is as follows: The Transferee Company is inter-alia engaged in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical, pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, all pharmaceuticals, medicinal preparations and FMCG products. The Transferee Company also manages runs and deals with pathological, radiological laboratory testing and diagnostics services.
8.	Details of change of name, registered office and objects of the Transferee Company during the last 5 years.	**Change in Name**: Pursuant to conversion of the Transferee Company from private limited company to a public limited company the name changed from "MedPlus Health Services Private Limited" to MedPlus Health Services Limited pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on June 1, 2021. Consequently, a fresh certificate of incorporation was issued by the Registrar of Companies, Telangana at Hyderabad ("RoC") on June 28, 2021. **Change in Registered Office**: The Transferee Company has changed its registered office from 707, 7th Floor, 5-9-13, Taramandal Commercial Complex, Saifabad, Hyderabad 500 004,

		Telangana, India to H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India w.e.f May 2, 2022. **<u>Change in Object Clause</u>**: **a. Clause III (A) (1) of the MoA was deleted w.e.f December 6, 2019.** "To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products like Intravenous Sets, Intravenous Solutions, all kinds of drugs, disinfectants, tinctures, colloidal products, injectable and all the pharmaceuticals and medicinal preparations." was deleted w.e.f December 6, 2019. b. **Clause III (A) (5) to (9) of the MoA was inserted w.e.f November 24, 2020**: 5. "To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributors, stockists, agents, merchants, suppliers, representatives and dealers of Surgical & healthcare equipments, Ayurvedic medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement, proteins and such other allied products including setting up contract manufacturing facility. 6. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products and in all kinds of drugs, intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations. 7. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including but not limited to food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Orthopedic pads, Electronic, Electrical and general home made products such as rotimaker, bathtowels, wallets, gift vouchers and any other products in and outside India. 8. To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush - shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats, and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business. 9. To carry on the business of trading, franchising, outsourcing, branding, factoring, promoting, distributing, marketing, negotiating, supplying, processing of FMCG (fast moving consumer goods) of all kinds, varieties and descriptions such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue paper, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack food, chocolates."

<table>
<tr><td></td><td></td><td>c. Clause III (A) (5) to (9) of the MoA was replaced with the following w.e.f December 7, 2020:
5. “To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributor, stockists agents, merchants, suppliers, representatives and dealers of Surgical & healthcare equipments. Ayurvedic Medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement, proteins and such other allied products on wholesale basis including setting up contract manufacturing facility.
6. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products on wholesale basis and in all kinds of drugs, intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations.
7. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, wholesale trading, manufacturing and to act as broker, wholesale distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments on wholesale basis including but not limited to food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Orthopedic pads, Electronic, Electrical and general home made products such as rotimaker, bathtowels, wallets, gift vouchers and any other products in and outside India on wholesale basis.
8. To carry on the business of manufacturers, wholesale importers and exporters, whole sale dealers of and in men’s, women’s and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear’s, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats, and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.
9. To carry on the business of wholesale trading, franchising, outsourcing, branding, factoring. promoting, distributing, marketing, negotiating, supplying, processing of FMCG (fast moving consumer goods) of all kinds, varieties and descriptions such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue paper, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack food, chocolates.”</td></tr>
<tr><td>9.</td><td>Name of the Stock Exchange(s) where the securities of the Transferee Company are listed, if applicable</td><td>BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).</td></tr>
<tr><td>10.</td><td>Details of the capital structure as on September 30, 2023 of the Transferee Company</td><td>(In Rs)<table><tr><th>Securities</th><th>Authorized Capital</th><th>Issued, Subscribed and paid-up</th></tr><tr><td>Equity shares</td><td>27,08,83,000 equity shares of Rs. 2 each amounting to Rs. 54,17,66,000</td><td>11,93,52,154 equity shares of Rs. 2 each amounting to Rs. 23,87,04,308</td></tr></table></td></tr>
</table>

<table>
<tr><td></td><td></td><td>Subsequent to the date mentioned herein, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferee Company.</td></tr>
<tr><td>11.</td><td>Name of the promoters and directors along with their addresses.</td><td>Promoters:

<table>
<tr><th>S. No</th><th>Name</th><th>Address</th></tr>
<tr><td>1.</td><td>Madhukar Reddy Gangadi</td><td>Flat No. 2400, Block No. 5B, Lodha Belleza, Kukatpally, Hyderabad 500 037, Telangana, India.</td></tr>
<tr><td>2.</td><td>Agilemed Investments Private Limited</td><td>H. No: 11-6-56, Survey No. 257 & 258/1, Opp: IDPL Railway Siding Road, (Moosapet), Kukatpally, Hyderabad 500 037, Telangana, India.</td></tr>
<tr><td>3.</td><td>Lone Furrow Investments Private Limited</td><td>H. No: 11-6-56, Survey No. 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500 037, Telangana, India.</td></tr>
</table>

Directors:
<table>
<tr><th>S. No</th><th>Name</th><th>Address</th><th>DIN</th></tr>
<tr><td>1)</td><td>Madhukar Reddy Gangadi</td><td>Flat No 2701, 27th Floor, Block No. C, Tower No 2 My Home Bhooja, Raidurg, Panmakta Village, Gandumguda Hyderabad - 500008 India</td><td>00098097</td></tr>
<tr><td>2)</td><td>Anish Kumar Saraf</td><td>B-3002, 30th Floor, Raheja Vivarea Sane Guruji Marg Mumbai - 400011 Maharashtra India</td><td>00322784</td></tr>
<tr><td>3)</td><td>Murali Sivaraman</td><td>24th Tytan, A B Dubhash Marg, Napean Sea Road, Malabar Hill Mumbai - 400006 Maharashtra India</td><td>00098097</td></tr>
<tr><td>4)</td><td>Hiroo Mirchandani</td><td>Apartment 625, Antara Senior Living, Purukul Road, Guniyal Gaon Dehradun - 248003 Uttarakhand, India</td><td>06992518</td></tr>
<tr><td>5)</td><td>Madhavan Ganesan</td><td>C-2004/2005, Shreeji Heights, Plot-1 Palm Beach Road, Sector 46A Nerul, Navi Mumbai, Thane Navi Mumbai - 400706 Maharashtra, India</td><td>01674529</td></tr>
<tr><td>6)</td><td>Bhaskar Reddy Cherukupalli</td><td>H No 17-277, Thiipparajuvari Head Post Office Nellore - 524001, Andhra Pradesh, India.</td><td>00926550</td></tr>
</table>
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<table>
<tr><td>12.</td><td>If the scheme of amalgamation relates to more than one Company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of arrangement, including holding, subsidiary or of associate companies.</td><td>The Transferee Company along with its nominees hold all the issued, subscribed and paid-up capital of the Transferor Company. The Transferor Company is a wholly-owned subsidiary of the Transferee Company.</td></tr>
<tr><td>13.</td><td>The date of the Board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/ participate on such resolution</td><td>The Board of Directors approved the Scheme of amalgamation on January 9, 2023.

The following Directors voted in favour of the resolution:
<table>
<tr><th>S. No</th><th>Name of Directors</th><th>Voting on the Resolution</th></tr>
<tr><td>1</td><td>Madhukar Reddy Gangadi</td><td>Favour</td></tr>
<tr><td>2</td><td>Anish Kumar Saraf</td><td>Favour</td></tr>
<tr><td>3</td><td>Murali Sivaraman</td><td>Favour</td></tr>
<tr><td>4</td><td>Hiroo Mirchandani</td><td>Favour</td></tr>
<tr><td>5</td><td>Madhavan Ganesan</td><td>Favour</td></tr>
<tr><td>6</td><td>Atul Gupta</td><td>Favour</td></tr>
</table>
None of the Director voted against the resolution nor abstained from voting on such resolution.</td></tr>
</table>

2. **Parties Involved in the Scheme of amalgamation:**

MHS Pharmaceuticals Private Limited and MedPlus Health Services Limited.

3. **Appointed date, effective date, share exchange ratio and other consideration, if any:**

(i) Appointed Date: 1st day of April, 2023

(ii) Effective Date: The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232 (6) of the Act.

(iii) Share Exchange Ratio: Not Applicable.

(iv) Operative Date: Means the last of the dates on which the certified copy of the order of the Tribunal sanctioning the Scheme is filed by Transferor Company and by the Transferee Company with the Registrar of Companies, Hyderabad. Any reference in the Scheme to the date of "upon the Scheme becoming operative" or "upon coming into effect of this Scheme" shall mean the Operative Date.

(v) The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232 (6) of the Act but shall be operative from the Operative Date.

4. **Summary of valuation report (if applicable) including basis of valuation by the Registered Valuer, if any; and the declaration that the valuation reports is available for inspection at the registered office of the Company:**

Not Applicable. All shares of the Transferor Company shall stand cancelled as the Transferor Company is the wholly owned subsidiary of the Transferee Company.

5. **Rationale for the amalgamation:**

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

6. **Benefits of the scheme of amalgamation as perceived by the Board of directors to the company, members, creditors and others (as applicable):**

The Board of Directors of the Transferor and Transferee Company is of the opinion that the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

7. **Amount due to unsecured creditors:**

The outstanding liabilities of the Transferor Company towards unsecured creditors as on October 31, 2023 is Rs. Nil.

The outstanding liabilities of the Transferee Company towards unsecured creditors as on October 31, 2023 is Rs. Nil.

8. **Disclosure about the effect of the scheme on promoters, key managerial personnel, directors, etc.**

Promoters	The implementation of the proposed Scheme shall not adversely affect the Promoters of the Transferor Company and the Transferee Company.
Key Managerial Personnel and Employees.	Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company on the Appointed Date and as well as in service as at the end of the Transition period shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in

	monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company. Further, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority.
Directors	The implementation of the proposed Scheme shall not adversely affect the Directors of the Transferor Company and the Transferee Company.
Non-promoter Members	The implementation of the proposed Scheme shall not adversely affect the non-promoter members of the Transferee Company.
Depositors	Not applicable as there are no depositors in the Transferor Company and the Transferee Company.
Equity Shareholder and Creditors	The Board of the Transferor Company and the Transferee Company are of the view that the rights and obligations of each of the equity shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme. The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.
Debenture Holders	Not applicable as there are no debenture holders in the Transferor Company and the Transferee Company.
Deposit Trustee and Debenture Trustee	Not applicable as there are no deposit trustee and debenture trustee in the Transferor Company and the Transferee Company.

9. **Disclosure about effect of amalgamation on material interests of directors, Key Managerial Personnel (KMP) and debenture trustee.**

(i) Key managerial personnel: None of the Key Managerial Personnel ("KMPs") of the Transferor Company and the Transferee Company have any material interest in the said Scheme except as employees in general.

(ii) Directors: None of the Directors of the Transferor Company and the Transferee Company have any material interest in the said Scheme except as shareholders in general, the extent of which will appear from the Register of the Directors' Shareholding maintained by the Transferor Company and the Transferee Company.

(iii) Debenture Trustee: Not applicable as there are no debenture trustees in the Transferor Company and Transferee Company.

10. **Investigation or proceedings, if any, pending against the company under the Act.**

There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under the Act.

11. The Notice of the proposed meeting along with the Scheme and other related documents shall be filed with the Registrar of Companies, Regional Director, Official Liquidator and the Income Tax Authorities and the representation, if any, to the Scheme may be made by the said authorities within thirty days. It may be noted that there are no sectoral regulators which needs to be informed in the present case.

12. A copy of the Scheme setting out the terms and conditions of the proposed Amalgamation as approved by the Board of Directors of the respective Applicant Companies in their respective Board Meetings is enclosed herewith.

13. Copies of the following documents of the Transferor Companies and Transferee Companies will be available for inspection electronically without any fee by the Members from the date of circulation of this Notice until the date of the Meeting. Members seeking to inspect such documents can send an email to cs@medplusindia.com/ ir@medplusindia.com and can be obtained free of charge, between 11:00 Hrs IST to 13:00 Hrs IST on any day (except Saturday, Sunday and public holidays) upto the date of Meeting at the Registered Office of the Transferee Company/Company situated at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad - 500037, Telangana, India.

    (i) Memorandum of Association and Articles of Association.
    (ii) Latest audited financial statements as on March 31, 2023.
    (iii) Copy of the order of Tribunal in pursuance of which this meeting is to be convened.
    (iv) Copy of scheme of amalgamation.
    (v) the certificate issued by Auditor of the Company to the effect that the accounting treatment, if any, proposed in the said Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
    (vi) Copy of Board Resolutions approving the Scheme.
    (vii) Supplementary Accounting statement as on June 30, 2023.

14. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Transferee Company and Transferor Company have in meeting held on January 09, 2023 respectively, adopted a report, inter alia, explaining effect of the Scheme on the Shareholders, Key Managerial Personnel, and Directors. Copies of the Reports adopted by the Board of Directors of Transferee Company and Transferor Company are enclosed as Annexure to this Notice.

15. In view of the information provided herein above and the documents attached along with this Notice and Explanatory statement, the requirement of Section 232(2) of the Companies Act, 2013 have been complied with.

For MedPlus Health Services Limited

Sd/-
Shri Sachin Sharma
Chairperson appointed for the Meeting

Place: Hyderabad
Date: November 10, 2023

Annexure A

SCHEME OF AMALGAMATION

BETWEEN

MEDPLUS HEALTH SERVICES LIMITED
("TRANSFEREE COMPANY")

AND

MHS PHARMACEUTICALS PRIVATE LIMITED
("TRANSFEROR COMPANY")
AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTION 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER)

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

A. PREAMBLE

This Scheme of Amalgamation (hereinafter referred to as "**Scheme**") is presented under the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder (including any modifications or re-enactments or amendments thereof), read with section 1(B) of the Income Tax Act, 1961 for amalgamation of MHS Pharmaceuticals Private Limited **("Transferor Company")** into Medplus Health Services Limited (hereinafter referred to as "**Transferee Company**") and for matters consequential, supplemental and/or otherwise integrally connected therewith.

The Transferor Company is the wholly owned subsidiary of the Transferee Company and therefore the Transferee Company will not issue any shares under the Scheme.

B. DESCRIPTION OF COMPANIES

(i) Medplus Health Services Limited or Transferee Company (CIN No. L85110TG2006PLC051845), is a listed public company incorporated under the provisions of the Companies Act, 1956 on November 30, 2006 and having its registered office at H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India. The equity shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

(ii) MHS Pharmaceuticals Private Limited or Transferor Company, (CIN No. U24233TG2008PTC059624), is a private limited company incorporated under the provisions of the Companies Act, 1956 on June 12, 2008, and having its registered office at at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India.

The Transferor Company is the wholly owned subsidiary of the Transferee Company.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

C. RATIONALE FOR THE SCHEME

The Transferor Company is the wholly owned subsidiary of the Transferee Company and both the Companies' business activities are similar to each other. Therefore, the amalgamation shall benefit the Transferor Company and the Transferee Company and their respective shareholders. The rationale for the proposed Scheme is, inter alia, summarized below:

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the Amalgamation of the Transferor Company with the Transferee Company. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company into the Transferee Company with effect from the

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Appointed Date pursuant to the provisions of Section 230 and other relevant provisions of the Companies Act, 2013.

D. This Scheme is divided into the following parts:

(i) **Part I** - dealing with the preliminary of the Scheme, definitions of the terms used in this Scheme and setting out the share capital of the Transferor Company and the Transferee Company;

(ii) **Part II** - dealing with the transfer and vesting of the Undertaking of the Transferor Company to and in the Transferee Company;

(iii) **Part III** - dealing with the cancellation of shares, change in authorised share capital of the Transferee Company, accounting treatment for the amalgamation in the books of the Transferee Company; and

(iv) **Part IV** - dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

PART I – PRELIMINARY, DEFINITIONS AND INTERPRETATION

1. PRELIMINARY

1.1. The Transferor Company has been engaged inter alia in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical and pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, pharmaceuticals, medicinal preparations and FMCG products. The main objects are set out in its Memorandum of Association and the same are laid down as under:

1. *To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products and in all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations.*
2. *To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels, wallets, gift vouchers and any other products in and outside India.*
3. *To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.*

1.2. The Transferee Company is engaged, *inter alia,* in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical, pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, all pharmaceuticals, medicinal preparations and FMCG products. The Transferee Company also manages runs and deals with pathological, radiological laboratory testing and diagnostics services. The main

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

objects are set out in its Memorandum of Association and the same are laid down as under:

1. *To establish, run, take on hire or lease, maintain, organize and promote diagnostic centers, polyclinics, hospitals, clinics and blood banks.*
2. *Undertake Hospital Automation, Hospital management, Project Management, Health camps and launch Healthcare schemes.*
3. *To establish, set up, maintain, manage run or otherwise deal with pathological and radiological laboratory testing, clinical reference laboratory services, diagnostic services and to provide services and solutions relating to medical tests and clinical examinations for health care.*
4. *To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributors, stockists, agents, merchants, suppliers, representatives and dealers of Surgical & healthcare equipments, Ayurvedic Medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement , proteins and such other allied products on wholesale basis including setting up contract manufacturing facility.*
5. *To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products on wholesale basis and in all kinds of drugs. intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations.*
6. *To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels, wallets, gift vouchers and any other products in and outside India.*
7. *To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.*

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

8. *To carry on the business of wholesale trading, franchising, outsourcing, branding, factoring, promoting, distributing, marketing, negotiating, supplying, processing, of FMCG (fast moving consumer goods) of all kinds, varieties, and description such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue papers, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack foods, chocolates.*

1.3. The Directors of the Transferor Company as on the date of approval of the Scheme by the Board of Directors of Transferor Company are:

Sl. No.	DIN	Full Name	Date of Appointment	Designation
1.	00898824	Paidiwar Srinivas	04/04/2011	Director
2.	00926550	Bhaskar Reddy Cherukupalli	12/06/2008	Director
3.	09319738	Prasad Reddy Battinapatla	29/09/2021	Director

1.4. The Directors of the Transferee Company as on the date of approval of the Scheme by the Board of Directors of Transferee Company are:

Sl. No	DIN	Full Name	Date of Appointment	Designation
1.	00098097	Madhukar Reddy Gangadi	30/11/2006	Managing Director
2.	00322784	Anish Kumar Saraf	06/02/2021	Director
3.	06940578	Atul Gupta	06/02/2021	Director
4.	01461231	Murali Sivaraman	11/06/2021	Independent Director
5.	01674529	Madhavan Ganesan	11/06/2021	Independent Director
6.	06992518	Hiroo Mirchandani	05/07/2021	Independent Director

1.5. The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

1.6. The Board of the Transferor Company and the Transferee Company are of the view that the rights and obligations of each of the shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

1.7. The employees of the Transferor Company in service shall be deemed to have become the employees of the Transferee Company without interruption in their service. Further, the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.

1.8. There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Act.

2. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

2.1. **"Act"** means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

2.2. **"Appointed Date"** means **April 01, 2023** or such other date as may be agreed by the Board of Directors of the Transferor Company and the Transferee Company and approved by the Tribunal.

2.3. **"Applicable Law" or "Law"** means any applicable national, foreign, provisional, of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances, orders, of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees, of or agreements with any Appropriate Authority having jurisdiction over the parties as may be in force from time to time;

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.4. **"Appropriate Authority"** means the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission, tax authorities, SEBI, stock exchanges, or other authority thereof; any public international organization or supranational body and its institutions, departments, agencies and instrumentalities; and any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi- governmental authority.

2.5. **"Board of Directors" or "Board"** means the board of directors of the respective Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof or any other person duly authorized by the Board for the purpose of this Scheme.

2.6. **"Consent"** means any license, permission, approval, clearance, permit, notice, consent, authorization, waiver, grant, concession, agreement, certificate, exemption, order, or registration from any Appropriate Authority or any other person.

2.7. **"Operative Date"** means the last of the dates on which the certified copy of the order of the Tribunal sanctioning this Scheme is filed by Transferor Company and by the Transferee Company with the Registrar of Companies, Hyderabad. Any reference in this Scheme to the date of "upon the Scheme becoming operative" or "upon coming into effect of this Scheme" shall mean the Operative Date.

2.8. **"Record Date"** means the date on which the Board of Directors of Transferee Company and the Transferor Company (after sanction of the Scheme by the Tribunal and before dissolution of the Transferor Company on the Operative Date), decides for nullifying the shares of the Transferor Company i.e., cancellation of the shares held by the Transferee Company and its nominees in the Transferor Company.

2.9. "**Registrar of Companies**" means the Registrar of Companies at Hyderabad for the State of Telangana with respect to the Transferor Company and Transferee Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.10. **"Rules"** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

2.11. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation, including Schedules, as amended or modified, in its present form submitted to the Tribunal for approval, with any modifications, as may be approved or imposed or directed by the Tribunal.

2.12. **"Transferor Company"** means MHS Pharmaceuticals Private Limited, a private limited company incorporated under the provisions of the Companies Act, 1956 on June 12, 2008, and having its registered office at H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037 Telangana, India.

2.13. **"Transferee Company"** means Medplus Health Services Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 on November 30, 2006 and having its registered office at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037 Telangana, India.

2.14. **"Tribunal"** means the National Company Law Tribunal, Hyderabad Bench, having jurisdiction in relation to the Transferee Company and Transferor Company.

2.15. **"Transition Period"** means period starting from the date immediately after the Appointed Date till the last of the date on which all the conditions stipulated in Clause 7 of this Scheme are fulfilled.

2.16. **"Undertaking of the Transferor Company"** shall mean all assets, properties, debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date and shall include (without limitation) their entire business including:

(a) all the assets and properties of the Transferor Company including, without limitation, offices, equipment, interests, capital work-in-progress, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets, if any, buildings and structures, offices, furniture, fixtures, office equipment, computers and all stocks on the Appointed Date;

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

(b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to the Transferor Company;

(c) Without prejudice to the generality of sub-Clause (a) and (b) above, the Undertaking of the Transferor Company shall include:

(i) all movable assets and immovable properties, if any, including lease-hold rights, tenancy rights, industrial and other licenses, registrations, permits, authorisations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of the Transferor Company;

(ii) all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, credit of taxes paid, MAT entitlement, advance tax (if any), bills of exchanges and debit notes of the Transferor Company;

(iii) all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/ manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;

(iv) all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;

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(v) all intellectual property rights, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, goodwill, trade secrets, confidential information, domain names, books, records, files, papers, licences (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company; and

(vi) all employees of the Transferor Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In this Scheme, unless the context otherwise requires:

i. Words denoting singular shall include plural and vice versa;

ii. Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

iii. References to the word "include" or "including" shall be construed without limitation;

iv. References to clause, part or schedule is, unless otherwise stated or indicated to the contrary, are references to clause, part and schedule of this Scheme.

3. SHARE CAPITAL

3.1. The share capital structure of the Transferor Company as on the date of approval of the Scheme by the Board of Directors of the Transferor Company is as below:

Equity Shares	
Authorised Capital	**Amount (Rs.)**
70,10,000 Equity Shares of Rs. 10/- each	7,01,00,000
Issued, Subscribed and Paid-up Capital	**Amount (Rs.)**
70,10,000 Equity Shares of Rs. 10/- each	7,01,00,000

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3.2. The share capital structure of the Transferee Company as on the date of approval of the Scheme by the Board of Directors of the Transferee Company, is as under:

Equity Shares	
Authorised Capital	**Amount (Rs.)**
27,08,83,000 Equity Shares of Rs. 2/- each	54,17,66,000
Issued, Subscribed and Paid-up Capital	**Amount (Rs.)**
11,93,05,676 fully paid-up Equity Shares of Rs. 2/- each	23,86,11,352

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority and shall become effective from the Appointed Date but shall be operative from the Operative Date.

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PART II – TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

5. TRANSFER AND VESTING OF UNDERTAKING

5.1. Upon coming into effect of this Scheme, and with effect from the Appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to Section 230 to 232 read with related Rules of the Act.

(a) All assets and properties of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.

(b) In respect of other assets pertaining to the Transferor Company including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Appropriate Authority and customers, if any, the Transferee Company, may issue notices stating that, pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to receive, recover or realize the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

(c) Any and all immovable properties, if any, together with the buildings and structures standing thereon of the Transferor Company and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any act or deed done by the

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Transferor Company or the Transferee Company. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties, if any. The mutation of title to the immovable properties in the name of the Transferee Company shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and this Scheme being effective in accordance with the terms hereof without any further act or deed on part of the Transferee Company;

(d) In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-Clauses (a), (b) and (c) above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Appointed Date pursuant to the provisions of Section 230 to 232 read with related Rules of the Act.

5.2. All contracts, statutory licenses, trade license, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, if any, tax credits, tax refunds, subsidies, concessions, grants, rights, all quotas, rights, entitlements, export/ import incentives, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and/or benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.

5.3. All specific permits, approvals, consents, authorizations, registrations, quotas, no-objection certificates and licenses, in relation to the Undertaking of the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company.

5.4. The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to and be

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vested in and/or be deemed to have been transferred to and vested in Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include incentives available under applicable laws in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.

5.5. The Transferee Company, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, writings, confirmations or notices with, or in favour of, any other party to any contract or arrangement to which Transferor Company is the party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above for and on behalf of the Transferor Company.

5.6. Upon coming into effect of this Scheme and with effect from the Appointed Date, all liabilities, including, without limitation, all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and Undertaking of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for their business activities and operations, shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Section 230 to 232 read with related Rules and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, Transferee Company, and such liabilities shall be assumed by the Transferee Company to the extent they are outstanding as at the end of the Transition Period so as to become, as on and from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and Transferee Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

5.7. All debts, liabilities, duties and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the end of the Transition Period shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

5.8. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and during the Transition Period, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

5.9. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and during the Transition Period shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding at the end of the Transition period, shall, upon the coming into effect of this Scheme and under the provisions of Section 230 to 232 read with related Rules of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

5.10. All intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, consents, approvals and rights and powers of every kind, nature and description, approvals, filings, copyrights, industrial designs, trade secrets, trademarks, know-how, data, technology, brand names, trade names, domain names and all other interests in any intellectual property of Transferor Company, shall, without any further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets and rights of the Transferee Company.

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5.11. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

6. STAFF AND EMPLOYEES

6.1. Upon the Scheme becoming effective, all staff and employees of the Transferor Company in service on the Appointed Date and as well as at the end of the Transition Period shall be deemed to have become staff, and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company..

6.2. Upon the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company, as applicable, for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company, as applicable, in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority. It is clarified that, for the purpose of the said fund or funds, schemes or benefits, the services of the staff, and employees of the Transferor Company, as applicable, will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company, as applicable.

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7. LEGAL PROCEEDINGS

7.1. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company are pending, including those arising on account of taxation laws and other allied laws under any statute, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings (including before any statutory or quasi-judicial authority or tribunal) may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as applicable, as if this Scheme had not been made.

7.2. After the Transition Period, Transferee Company shall, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of the Transferor Company and to the same extent as would or might have been initiated by or defended by the Transferor Company, as applicable.

8. POWER TO GIVE EFFECT TO THIS PART

The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

9. TAXATION MATTERS

9.1. Upon the Scheme becoming effective, all taxes payable by the Transferor Company, under the Income-tax Act, 1961 or any indirect taxes or under any other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company, shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly, any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115 JB and/ or other provisions (as applicable) of the Income-tax Act, 1961, if any shall be deemed to have been paid on behalf of the Transferee Company, and the Minimum Alternate Tax credit (if any) of the Transferor Company, as on the Appointed Date or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company. Any refunds under the Tax Laws due to the Transferor Company, consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

9.2. All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company or any of its agents to any statutory authorities under Tax Laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the end of the Transition Period and upon relevant proof and documents being provided to the said authorities.

9.3. All Tax assessment proceedings/ appeals of whatsoever nature by/or against the Transferor Company pending and/or arising at the Appointed Date relating to the Transferor Company shall be continued and/or enforced until the Operative Date by the Transferor Company. As and from the Operative Date, the Tax Proceedings shall be continued and enforced by/against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by or against the Transferor Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

300

PART III – CANCELLATION OF SHARES, CHANGE OF CAPITAL, CHANGE IN THE OBJECT CLAUSE AND ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

10. CANCELLATION OF SHARES

10.1. Upon the Scheme coming into effect, all the shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued, or payment made in cash whatsoever by the Transferee Company in lieu of such shares held by it in the Transferor Company.

10.2. Upon coming into effect of this Scheme, the shares and the share certificates held by the Transferee Company in the Transferor Company shall without any further application, act or deed be deemed to have been automatically cancelled and be no effect without any necessity of them being surrendered.

11. INCREASE IN AUTHORISED CAPITAL OF TRANSFEREE COMPANY

11.1. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs. 7,01,00,000 (Rupees Seven Crore One Lakh only) divided into 70,10,000 equity shares of Rs. 10/- (Rupees Ten only) each. The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and for this purpose, the stamp duty and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

11.2. It is clarified that the approval of the shareholders of Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Act.

12. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

12.1. Upon the Scheme becoming operative, the accounting for the amalgamation would be done in accordance with accounting principles generally accepted in India and shall comply with the accounting standards as applicable for accounting the amalgamation and the same shall not be impacted by the date on which the conditions specified under clause 16 of the Scheme are fulfilled.

12.2. On the Scheme becoming effective, the Transferor and the Transferee Company being under common control, the amalgamation of the Transferor Company with the Transferee Company shall be accounted by the Transferee Company in its books of accounts as follows:

12.2.1. Notwithstanding anything contained in any other clause in the Scheme, amalgamation shall be accounted for in accordance with the "Pooling of Interest Method" in accordance with the Appendix C of Indian Accounting Standard 103 – "Business Combinations" (Ind-AS 103) as notified under Section 133 of the Companies Act 2013 *read with rules issued thereunder and other generally accepted accounting principles in India.*

12.2.2. All the assets and liabilities appearing in the books of accounts of the Transferor Company shall stand transferred to and vested in the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by the Transferee Company at its respective book values. No adjustments shall be made to the carrying amounts of the assets and liabilities as reflected in the books of Transferor Company on the Appointed Date.

12.2.3. The balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.

12.2.4. The amount of any inter-company balances, amounts between the Transferor Company and the Transferee Company, appearing in the books of the respective companies, shall be eliminated, upon the Scheme coming into effect, and the corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be.

12.2.5. The carrying amount of investments in equity of the Transferor Company as appearing in the books of the Transferee Company, shall stand cancelled.

12.2.6. The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Companies. As a result of preserving the identity, reserves which are available for distribution as dividend, if any before the amalgamation would also be available for distribution as dividend after the amalgamation.

12.2.7. The financial information in the financial statements in respect of prior periods shall be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

12.2.8. In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.

12.2.9. The difference, if any, arising pursuant to the above treatments as mentioned in Clause 12.2.1 to 12.2.8 shall be adjusted such that in case of credit be transferred to capital reserve and in case of debit be adjusted against either revenue reserve or capital reserve or if there are no reserves or inadequate reserves, transferred to Amalgamation Adjustment Deficit Account.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

13. TRANSACTIONS BETWEEN THE APPOINTED DATE AND DURING THE TRANSITION PERIOD

During the period from the Appointed Date to the end of the Transition Period:

13.1. The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed its businesses and Undertaking for and on account of and in trust for the Transferee Company;

13.2. The Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence;

13.3. With effect from Appointed Date and up to and including the Transition Period, Transferor Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of their Undertaking or any part thereof save and except in each case:

(a) if the same is in the ordinary course of business of the Transferor Company as carried on by it as on the date of filing this Scheme with the Tribunal; or

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of Directors of the Transferee Company has been obtained.

13.4. All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.

13.5. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities/ agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require, to carry on the business of the Transferor Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

13.6. The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior written consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company, as the case may be, prior to the Appointed Date for the Scheme.

13.7. Except by mutual consent of the Board of Directors of Transferor Company and Transferee Company(s), or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by Transferor Company and/or Transferee Company as on the date of sanction of this Scheme by the Board of Directors of Transferee Company and the Transferor Company, or except as contemplated in this Scheme pending sanction of this Scheme, the Transferor Company and/or the Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures, convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization or in any other manner, which would have the effect of re-organization of capital of Transferor Company and/or Transferee Company.

13.8. All assets acquired and all liabilities incurred by the Transferor Company after the Appointed Date for the Scheme but prior to the Operative Date for operation of and in relation to the Transferee Company shall also without any further Act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to encumbrances in favour of lenders, banks and/or financial institutions.

13.9. With effect from the Operative Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business of the Transferor Company earlier carried on by the Transferor Company.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

14. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date and during the Transition Period, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

PART IV - DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME OF AMALGAMATION AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO

15. DISSOLUTION

On the Scheme becoming effective, the Transferor Company shall stand dissolved, without going through the process of winding up and without further acts and deeds by parties on such terms and conditions as the Tribunal may direct or determine.

16. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

(a) The approval of respective requisite majority of respective class of shareholders and / or creditors (where applicable) of the Transferor Company and Transferee Company in accordance with the Act, and the requisite order or dispensation that may be granted by the Tribunal in relation to obtaining such consent from the shareholders and/or creditors as applicable.

(b) The requisite consent, approval or permission of any Appropriate Authorities, if any, which by law may be necessary for the implementation of this Scheme;

(c) The Tribunal having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Transferor Company and Transferee Company;

(d) The certified/authenticated copies of the order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and

(e) Compliance with such other conditions as may be imposed by the Tribunal.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

17. FILING OF APPLICATION/ PETITION WITH THE TRIBUNAL.

The Transferor Company and the Transferee Company shall with all reasonable diligence, make and file application, affidavits, petition etc. before the Tribunal having jurisdiction the registered offices of the Transferor Company and the Transferee Company are situated, for obtaining the sanction to this Scheme with such modifications as may be approved by the Tribunal under Sections 230 to 232 and other applicable provisions of the Act read with Rules made thereunder and for dissolution of the Transferor Company without being wound-up.

18. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Tribunal and/ or any other Appropriate Authority, having jurisdiction over the Scheme, may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or the person(s)/ committee). The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Appropriate Authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the Tribunal, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Notwithstanding anything contained above, the Transferor Company and the Transferee Company may approach the Tribunal for dispensing with any requirement for ensuring the due implementation of the Scheme and act in accordance with any consequent directions or orders of Tribunal.

20. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Operative Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

21. POWER TO WITHDRAW THE SCHEME AT ANYTIME

In the event of any condition or amendment or modification that may be imposed by the Tribunal or any Appropriate authority, or if the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the Transferor Company or Transferee Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

22. COSTS, CHARGES AND EXPENSES

All costs, charges, levies and expenses (including stamp duty, if applicable) in relation to or in connection with the implementation thereof or to the completion of amalgamation of the Undertaking of the Transferor Company into the Transferee Company in pursuance of this Scheme shall be borne by the Transferee Company.

23. MISCELLANEOUS

In case any doubt or difference or issue shall arise among the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/ or persons entitled to or claiming any right to any shares in the Transferor Company or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferor Company and the Transferee Company, and the decision arrived at therein shall be final and binding on all concerned.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

B S R & Associates LLP
Chartered Accountants

Salarpuria Knowledge City, Orwell, B Wing,
6th Floor, Unit-3, Sy No. 83/1, Plot No. 02,
Raidurg, Hyderabad – 500 081 – India
Tel: +91 407 182 2000
Fax: +91 407 182 2399

Statutory Auditors' Certificate in relation to the proposed accounting treatment to be followed in the books of account of MedPlus Health Services Limited as specified in the proposed Scheme of Amalgamation between MedPlus Health Services Limited ("Transferee Company") and MHS Pharmaceuticals Private Limited ("Transferor Company") and their respective shareholders and creditors pursuant to Sections 230 to 232 of the Companies Act, 2013.

1. This certificate is issued in accordance with the terms of our letter of engagement dated 19 February 2019 and addendum to the engagement letter dated 27 April 2023.
2. We have been requested by the Board of Directors of MedPlus Health Services Limited ("The Company" or "The Transferee Company") to issue a certificate in relation to the proposed accounting treatment as specified in "Clause 12 - Accounting treatment in the books of transferee company" of the Proposed Scheme of Amalgamation between MHS Pharmaceuticals Private Limited ("Transferor Company") with the Company and their respective shareholders in terms of provisions of Section 230 to 232 of the Companies Act, 2013 ('the Act), other applicable provisions of the said Act and rules made thereunder ('Proposed Scheme'), as reproduced under Annexure A of this certificate, with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other generally accepted accounting principles in India.
3. The proposed scheme is approved by the Board of Directors of the Company and of the transferor Company on 9 January 2023 and 9 January 2023 respectively and is subject to approval of the respective Shareholders and Creditors of the Company and the transferor company, Registrar of Companies ('ROC'), the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of this proposed scheme is 1 April 2023.

Management's responsibility

4. The responsibility for the preparation of the Proposed Scheme and Annexure A of this certificate and its compliance with the relevant provision of the Act, other relevant laws and regulations, including the applicable Ind AS read with the Rules issued thereunder and the other generally accepted accounting principles in India as aforesaid, is that of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme and Annexure A of this

certificate and applying an appropriate basis of preparation; compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules issued thereunder and other Generally Accepted Accounting Principles in India as aforesaid, to the extent applicable and making estimates that are reasonable in the circumstances.

6. The management is also responsible for ensuring that the Company provides all relevant information with respect to the Proposed scheme to the NCLT and Statutory and Regulatory Authorities.

Auditors' responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Act, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in 'Clause 12- Accounting treatment in the books of transferee company of the Proposed Scheme and as reproduced in Annexure A to this certificate is in conformity with the Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid proposed Scheme.

8. We conducted our examination of the proposed accounting treatment referred to in 'Clause 12- Accounting treatment in the books of transferee company' of the proposed scheme and reproduced under Annexure A to this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 1 April 2023 in the Proposed Scheme.

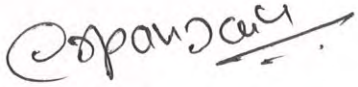
    Based on our examination and according to the information and explanations and representations given to us, the proposed accounting treatment in Clause 12 of the Proposed Scheme and reproduced in Annexure A to this certificate, stamped by us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standards prescribed under Section 133 of the Act and Other generally accepted accounting principles in India.

Restriction on use

11. This certificate has been issued at the request of the Board of Directors of the Transferee Company solely for the purpose of onward submission to ROC, the NCLT and other statutory authorities in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act read with the relevant rules thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or

any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024



Arpan Jain
Partner
Membership number: 125710
UDIN: 23125710BGYBQK1884

Place: Hyderabad
Date: 12 May 2023

Statutory Auditors' Certificate in relation to the proposed accounting treatment to be followed in the books of MedPlus Health Services Limited as specified in the proposed Scheme of Arrangement between MedPlus Health Services Limited ("Transferee Company") and MHS Pharmaceuticals Private Limited ("Transferor Company") and their respective shareholders and creditors. *(continued)*

Appendix A- Accounting treatment in the books of the Transferee Company

Clause 12. Accounting Treatment

12.1 Upon the Scheme becoming operative, the accounting for the amalgamation would be done in accordance with accounting principles generally accepted in India and shall comply with the accounting standards as applicable for accounting the amalgamation and the same shall not be impacted by the date on which the conditions specified under clause 16 of the Scheme are fulfilled.

12.2 On the Scheme becoming effective, the Transferor and the Transferee Company being under common control, the amalgamation of the Transferor Company with the Transferee Company shall be accounted by the Transferee Company in its books of accounts as follows:

12.2.1. Notwithstanding anything contained in any other clause in the Scheme, amalgamation shall be accounted for in accordance with the "Pooling of Interest Method" in accordance with the Appendix C of Indian Accounting Standard 103 – "Business Combinations" (Ind-AS 103) as notified under Section 133 of the Companies Act 2013 read with rules issued thereunder and other generally accepted accounting principles in India

12.2.2 All the assets and liabilities appearing in the books of accounts of the Transferor Company shall stand transferred to and vested in the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by the Transferee Company at its respective book values. No adjustments shall be made to the carrying amounts of the assets and liabilities as reflected in the books of Transferor Company on the Appointed Date.

12.2.3 The balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.

12.2.4 The amount of any inter-company balances, amounts between the Transferor Company and the Transferee Company, appearing in the books of the respective companies, shall be eliminated, upon the Scheme coming into effect, and the corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be.

12.2.5 The carrying amount of investments in equity of the Transferor Company as appearing in the books of the Transferee Company, shall stand cancelled.

12.2.6 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Companies. As a result of preserving the identity, reserves which are available for distribution as dividend, if any before the amalgamation would also be available for distribution as dividend after the amalgamation.

12.2.7 The financial information in the financial statements in respect of prior periods shall be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

12.2.8 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.

12.29 The difference, if any, arising pursuant to the above treatments as mentioned in Clause 12.2.1 to 12.2.8 shall be adjusted such that in case of credit be transferred to 'capital reserve' and in case of debit be adjusted against either 'revenue reserve' or 'capital reserve' or if there are no reserves or inadequate reserves, transferred to 'Amalgamation Adjustment Deficit Account'.

Clause 16. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

(a) The approval of respective requisite majority of respective class of shareholders and / or creditors (where applicable) of the Transferor Company and Transferee Company in accordance with the Act, and the requisite order or dispensation that may be granted by the Tribunal in relation to obtaining such consent from the shareholders and/or creditors as applicable.

(b) The requisite consent, approval or permission of any Appropriate Authorities, if any, which by law may be necessary for the implementation of this Scheme;

(c) The Tribunal having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Transferor Company and Transferee Company;

(d) The certified/authenticated copies of the order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and

(e) Compliance with such other conditions as may be imposed by the Tribunal.

MedPlus Health Services Limited

REPORT UNDER SECTION 232(2) (C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF MEDPLUS HEALTH SERVICES LIMITED ("COMPANY") AT ITS MEETING HELD ON MONDAY, JANUARY 09, 2023 AT 10:30 A.M. THROUGH VIDEO CONFERENCING FACILITATED AT THE REGISTERED OFFICE OF THE COMPANY AT H. NO: 11-6-56, SURVEY NO: 257 & 258/1, OPP: IDPL RAILWAY SIDING ROAD, MOOSAPET, KUKATPALLY, HYDERABAD - 500037, TELANGANA.

The Scheme of Amalgamation under Section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for amalgamation of MHS Pharmaceuticals Private Limited (hereinafter referred to as "**Transferor Company**") with MedPlus Health Services Limited (hereinafter referred to as "**Transferee Company**") ("**Scheme**") was approved by the Board of Directors of the Transferee Company at its meeting held on January 9, 2023.

At the outset, the rationale of the amalgamation as mentioned in the draft Scheme are being enumerated below:

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

As per the provisions of Section 232(2)(c) of the Companies Act, 2013 ("**Act**"), the Directors of the Company are required to adopt a report explaining the effect of the Scheme on the equity shareholders, directors, key managerial personnel, promoters and non-promoter shareholders and to set out, in particular, the share exchange ratio, and the same is required to be circulated to the equity shareholder and creditors of the Company along with the notice convening the meeting, if the Tribunal does not dispense with calling of such meeting. This report has accordingly been made for adoption by the Board in pursuance of requirements under Section 232(2)(c) of the Act.

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Regd. Off: H.No: 11-6-56, Sy. No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyd-500 037, TS, India. ✆ : 040-6724 6724
CIN No: L85110TG2006PLC051845 | **Website:** www.medplusindia.com | **Email:** medplus@medplusindia.com

A. Effects of the Scheme in terms of Section 232(2)(C) of the Act

a. Equity shareholders:

The rights and obligations of each of the equity shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

b. Promoters and non-promoters:

The implementation of the proposed Scheme shall not adversely affect the Promoters and non-promoters of the Transferee Company.

c. Creditors:

The implementation of the proposed Scheme does not affect the rights of the creditors of the Company. There will not be any reduction in amounts payable to the creditors of the Company post sanctioning of the Scheme.

d. Directors:

The implementation of the proposed Scheme shall not adversely affect the Directors of the Company.

e. Key Managerial Personnel and Employees.:

The employees of the Transferee Company shall continue as employees and would in no way be affected by the implementation of the Scheme.

Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company shall be deemed to have become staff, workmen and employees of the Transferee Company without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.

Further, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority.

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Regd. Off: H.No: 11-6-56, Sy. No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyd-500 037, TS, India. ✆ : 040-6724 6724
CIN No: L85110TG2006PLC051845 | **Website:** www.medplusindia.com | **Email:** medplus@medplusindia.com

f. Depositors and Deposit Trustees:

As on date, the Company do not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.

g. Debenture Holders and Debentures Trustees:

As on date, the Company do not have any outstanding debentures and therefore the question of the Scheme having an effect on any such debenture holders and debenture trustee does not arise.

B. Share Exchange Ratio:

The Transferor Company is currently a wholly owned subsidiary of the Transferee Company.

On amalgamation of Transferor Company with the Transferee Company, no shares shall be issued or allotted in respect of the holding of the shares by the Transferee Company in the Transferor Company. Hence, there is no valuation required and no share exchange ratio determined.

While deliberating the Scheme, the Board considered its impact on each of above-mentioned stakeholder and is of the view that the Scheme is in the best interest of each of the stakeholder and no prejudice is caused to them in any manner by the Scheme.

-//Certified True Copy//-

For MedPlus Health Services Limited

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Madhukar Reddy Gangadi
Managing Director & CEO
DIN No: 00098097

Date: January 09, 2023
Place: Hyderabad

Regd. Off: H.No: 11-6-56, Sy. No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyd-500 037, TS, India. ✆ : 040-6724 6724
CIN No: L85110TG2006PLC051845 | **Website:** www.medplusindia.com | **Email:** medplus@medplusindia.com

Annexure D

REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF MHS PHARMACEUTICALS PRIVATE LIMITED ("COMPANY") AT ITS MEETING HELD ON MONDAY, JANUARY 09, 2023 AT 10:00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT H. NO: 11-6-56, SURVEY NO: 257 & 258/1, OPP: IDPL RAILWAY SIDING ROAD, MOOSAPET, KUKATPALLY, HYDERABAD 500037, TELANGANA, INDIA.

The Scheme of Amalgamation under Section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for amalgamation of MHS Pharmaceuticals Private Limited (hereinafter referred to as "**Transferor Company**") with MedPlus Health Services Limited (hereinafter referred to as "**Transferee Company**") ("**Scheme**") was approved by the Board of Directors of the Transferee Company at its meeting held on January 9, 2023.

At the outset, the rationale of the amalgamation as mentioned in the draft Scheme are being enumerated below:

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

As per the provisions of Section 232(2)(c) of the Companies Act, 2013 ("**Act**"), the Directors of the Company are required to adopt a report explaining the effect of the Scheme on the equity shareholders, directors, key managerial personnel, promoters and non-promoter shareholders and to set out, in particular, the share exchange ratio, and the same is required to be circulated to the equity shareholder and creditors of the Company along with the notice convening the meeting, if the Tribunal does not dispense with calling of such meeting. This report has accordingly been made for adoption by the Board in pursuance of requirements under Section 232(2)(c) of the Act.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

A. Effects of the Scheme in terms of Section 232(2)(C) of the Act

a. Equity shareholders:

The rights and obligations of each of the equity shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

b. Promoters and non-promoters:

The implementation of the proposed Scheme shall not adversely affect the Promoters and non-promoters of the Company.

c. Creditors:

The implementation of the proposed Scheme does not affect the rights of the creditors of the Company. There will not be any reduction in amounts payable to the creditors of the Company post sanctioning of the Scheme.

d. Directors:

The implementation of the proposed Scheme shall not adversely affect the Directors of the Company.

e. Key Managerial Personnel and Employees.:

Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company shall be deemed to have become staff, workmen and employees of the Transferee Company without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.

Further, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority.

The employees of the Transferee Company shall continue as employees and would in no way be affected by the implementation of the Scheme.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

f. Depositors and Deposit Trustees:

As on date, the Company do not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.

g. Debenture Holders and Debentures Trustees:

As on date, the Company do not have any outstanding debentures and therefore the question of the Scheme having an effect on any such debenture holders and debenture trustee does not arise.

B. Share Exchange Ratio:

The Transferor Company is currently a wholly owned subsidiary of the Transferee Company.

On amalgamation of Transferor Company with the Transferee Company, no shares shall be issued or allotted in respect of the holding of the shares by the Transferee Company in the Transferor Company. Hence, there is no valuation required and no share exchange ratio determined.

While deliberating the Scheme, the Board considered its impact on each of above-mentioned stakeholder and is of the view that the Scheme is in the best interest of each of the stakeholder and no prejudice is caused to them in any manner by the Scheme.

-//Certified True Copy//-

For MHS Pharmaceuticals Private Limited

Bhaskar Reddy Cherukupalli
Director
DIN: 00926550

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Date: January 09, 2023
Place: Hyderabad

B S R & Associates LLP
Chartered Accountants

Salarpuria Knowledge City, Orwell, B Wing,
6th Floor, Unit-3, Sy No. 83/1, Plot No. 02,
Raidurg, Hyderabad – 500 081 – India
Tel: +91 407 182 2000
Fax: +91 407 182 2399

Independent Auditor's Report

To the Members of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) (the "Company"), its employee benefit trust which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's Responsibilities Relating to Other Information.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company/ Trustees of the employee benefit trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of company/trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors/Trustees are responsible for overseeing the financial reporting process of the company/trust..

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of key Microsoft Excel Spreadsheets related to financial reporting and Payroll Software which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors between 1 April 2023 to 26 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

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

Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad

Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

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

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

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	**Gross carrying value** (Rs. in millions)	**Held in the name of**	**Whether promoter, director or their relative or employee**	**Period held- indicate range, where appropriate**	**Reason for not being held in the name of the Company. Also indicate if in dispute**
Free hold Land	5.51	Natco Pharma Limited	No	20 December 2020	Note 1 below

Note 1: The aforesaid land has been transferred to the company vide agreement of sale dated 20 December 2020. However, the Company is in the process of completing the registration. Also refer Note: 3a to the Standalone financial statements.

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in and granted loan to companies, in respect of which the requisite information are as below. The Company has not made any investments in or granted loan to firms, limited liability partnership or any other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other company as below:

Particulars	Loans (Rs. in millions)
Aggregate amount during the year Subsidiaries*	2.00
Balance outstanding as at balance sheet date Subsidiaries*	17.82**

**As per the Companies Act, 2013.*

** Outstanding balances of Rs. 17.82 millions has been fully provided for.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans to its subsidiary during the year are, prima facie, not prejudicial to the interest of the Company. Further, the company has not provided gurantees and advances in nature of loans and gurantees during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated except for the loan of Rs. 4.5 millions given to it's subsidiary, Kalyani Meditimes Private Limited which is repayable on demand. As informed to us, the company has not demanded repayment of loan during the year. Further, in respect of other loans, repayment of principal and payment of interest have been regular except for the following

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

Name of the entity	Amount (Rs. in millions)	Due Date (in range of dates)	Extent of delay (in range of days)	Remarks, if any
Kalyani Meditimes Private Limited	6.00	6 April 2022 - 10 May 2022	51 - 85	Delay in repayment of Principal.
Kalyani Meditimes Private Limited	11.32	30 September 2022 - 27 February 2023	Not repaid	Overdue principal amounts. Note 1 below.
Kalyani Meditimes Private Limited	1.14	6 April 2022 - 10 May 2022	51 - 85	Delay in repayment of Interest.
Kalyani Meditimes Private Limited	3.16	30 September 2022 - 27 February 2023	Not repaid	Overdue interest amounts. Note 1 below.

Further, the Company has not given any advance in the nature of loan to any party during the year.

Note 1: These overdues have been fully provied for.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except an amount of Rs. 11.32 millions (principal amount) and Rs 3.16 millions (interest) overdue for more than ninety days as at 31 March 2023. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan to any party during the year

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its subsidiary, being related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	Related Parties
Aggregate of loans/advances in nature of	4.5

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

	Related Parties
loan (Rs. in millions) - Repayable on demand	
Percentage of loans/advances in nature of loan to the total loans	25.25%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income-tax	34.86	FY 2020-21	Commissioner of Income-tax (Appeals),	

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 ***(Continued)***

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks , if any
				Telangana	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with Banks. The Company has not raised any moneys by way of further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 46 (x) to the standalone financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

other information comprising the information included in Annual Report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**

Chartered Accountants

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

Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad

Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

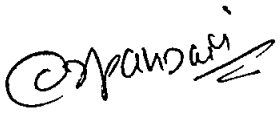
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

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



Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad

Date: 25 May 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Balance sheet as at March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3a	935.58	389.17
Capital work-in-progress	3b	179.09	155.20
Other Intangible assets	3c	34.14	28.24
Right-of-use assets	4	824.40	432.74
Financial assets			
Investments	5	9,171.58	4,184.50
Other financial assets	7	25.75	19.15
Non-current tax assets (net)	8	24.68	26.99
Other non-current assets	9	18.36	65.16
		11,213.58	5,301.15
Current Assets			
Inventories	10	66.87	39.00
Financial assets			
Trade receivables	13	376.11	212.88
Cash and cash equivalents	11	357.03	9.38
Bank balances other than cash and cash equivalents	12	544.60	65.00
Loans	6	-	27.82
Other financial assets	7	55.62	6,167.90
Other current assets	9	105.61	51.41
		1,505.84	6,573.39
Total Assets		12,719.42	11,874.54
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	238.61	238.60
Other equity	15	11,174.17	10,889.21
Total Equity		11,412.78	11,127.81
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Lease liabilities	17	808.15	416.84
Provisions	19	18.35	7.14
		826.50	423.98
Current Liabilities			
Financial liabilities			
Lease liabilities	17	49.89	27.32
Trade payables	16		
- Total outstanding dues to micro and small enterprises		3.61	0.43
- Total outstanding dues to other than micro and small enterprises		124.28	54.87
Other financial liabilities	18	229.61	204.78
Other current liabilities	20	21.02	22.40
Contract liabilities	21	41.40	5.59
Provisions	19	10.33	7.36
		480.14	322.75
Total Liabilities		1,306.64	746.73
Total Equity and Liabilities		12,719.42	11,874.54
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of profit and loss for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	22	2,139.26	1,457.14
Other income	23	162.39	95.41
Total income (I)		2,301.65	1,552.55
Expenses			
Purchases of stock-in-trade	24	1,314.91	972.12
Cost of materials consumed	25	257.77	193.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(3.96)	20.00
Employee benefits expense	27	281.45	137.32
Finance costs	29	65.45	26.31
Depreciation and amortisation expense	28	153.07	46.32
Impairment reversals (net)	5	(69.44)	-
Other expenses	30	226.54	101.13
Total expenses (II)		2,225.79	1,496.76
Profit before tax (III) = (I)-(II)		75.86	55.79
Tax expense			
- Current tax		20.42	-
Total tax expense (IV)		20.42	-
Profit for the year (V) = (III)-(IV)		55.44	55.79
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement (Loss)/Gain on employee defined benefit plans (VI)	33	(3.56)	1.17
Income tax effect on the above (VII)		-	-
Other comprehensive (Loss)/Gain for the year (VIII) = (VI)+(VII)		(3.56)	1.17
Total comprehensive income for the year (IX) = (V)+(VIII)		51.88	56.96
Earnings per equity share (EPES) (In absolute Rs. terms)	31		
Basic		0.46	0.50
Diluted		0.46	0.50
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
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Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of Changes in equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. Equity Share Capital:

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.60	-	238.60	0.01	238.61

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
4.58	-	4.58	234.02	238.60

* Refer note 14(a).

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of Changes in equity for the year ended March 31, 2023 (Contd)
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

B. Other equity

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus						Total other equity
		Securities premium	Share based payment reserve	General reserve	Amalgamation adjustment account	Capital reserve	Retained earnings	
As at April 1, 2021	3,708.06	2,415.25	486.55	28.64	(98.39)	7.62	(1,377.41)	5,170.32
Employee stock compensation expenses for the year(refer note- 34)	-	-	107.37	-	-	-	-	107.37
Stock options lapsed	-	-	(3.42)	3.42	-	-	-	-
Equity shares								
- 0.001% Series A CCPS	(56.72)	28.36	-	-	-	-	-	(28.36)
- 0.001% Series B CCPS	(239.03)	119.52	-	-	-	-	-	(119.51)
- 0.001% Series B1 CCPS	(61.07)	30.54	-	-	-	-	-	(30.53)
- 0.001% Series B2 CCPS	(66.62)	33.63	-	-	-	-	-	(32.99)
- 0.001% Series C1 CCPS	(11.22)	5.61	-	-	-	-	-	(5.61)
- 0.001% Series C2 CCPS	(3.20)	1.28	-	-	-	-	-	(1.92)
Less: Transfer Series A CCPS securities premium to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-
Less: Transfer Series C1 CCPS securities premium to securities premium	(751.12)	751.12	-	-	-	-	-	-
Less: Transfer Series C2 CCPS securities premium to securities premium	(214.46)	214.46	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-
Proceeds from issue of equity shares under ESOP	-	5.86	-	-	-	-	-	5.86
Less: Share issue expenses	-	(217.27)	-	-	-	-	-	(217.27)
Add: Issue of new shares through IPO (refer note no. 47)	-	5,984.91	-	-	-	-	-	5,984.91
Profit for the year	-	-	-	-	-	-	55.79	55.79
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	1.17	1.17
As at March 31, 2022	0.00	11,831.46	113.94	355.03	(98.39)	7.62	(1,320.45)	10,889.21
Employee stock compensation expenses for the year(refer note- 34)	-	-	221.19	-	-	-	-	221.19
Transfer on account of exercise of share options	-	30.78	(30.78)	-	-	-	-	-
Proceeds from issue of equity shares under ESOP	-	11.89	-	-	-	-	-	11.89
Profit for the year	-	-	-	-	-	-	55.44	55.44
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	(3.56)	(3.56)
As at March 31, 2023	-	11,874.13	304.35	355.03	(98.39)	7.62	(1,268.56)	11,174.17

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of Changes in equity for the year ended March 31, 2023 (Contd)
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(i) Par value of the instruments issued:		
0.001% Series A CCPS of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	-	-
0.001% Series B1 CCPS of Rs.20/- each		
At the beginning of the year		61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	-	(61.07)
At the end of the year	-	-
0.001% Series B2 CCPS of Rs.20/- each		
At the beginning of the year		66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	-	(66.62)
At the end of the year	-	-
0.001% Series C1 CCPS of Rs.20/- each		
At the beginning of the year		11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	-	-
0.001% Series C2 CCPS of Rs.20/- each		
At the beginning of the year		3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Closing balance	-	-
Amount included in 'Equity component of compound financial instruments' above	-	-

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone statement of cash flows for the year ended March 31, 2023.
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	75.86	55.79
Adjustments for:		
Depreciation of property, plant and equipment and Amortisation of Intangible assets	77.02	14.23
Depreciation of right-of-use assets	76.06	32.09
Provision for gratuity and leave benefits	11.05	3.60
Provision for doubtful debts	0.43	0.35
Advances/debts written off	0.13	-
Provision for doubtful loans and advances	3.51	-
Interest on lease liabilities	65.45	25.85
Interest income	(142.15)	(75.85)
Financial guarantee income	(1.47)	(9.29)
Liabilities no longer required written back	(2.69)	(0.02)
Impairment Provision reversals	(69.44)	-
Gain on de-recognition of right-of-use assets	(2.03)	(1.76)
Employees stock option compensation expenses	18.07	17.28
Operating profit before working capital changes	109.80	62.27
Change in assets and liabilities		
Decrease/(Increase) in inventories	(27.87)	8.85
Increase in non-current financial assets	(25.01)	(27.01)
(Increase)/Decrease in current financial assets	(7.71)	(237.84)
Increase in other assets	(49.10)	(29.78)
Increase in current financial liabilities	133.86	42.62
Increase/(Decrease) in other current liabilities	(1.38)	20.61
Decrease in provisions	(0.43)	(3.33)
Cash generated from/(used in) operations	132.16	(163.61)
Taxes paid (net of refund)	(18.11)	(20.13)
Net cash generated from/(used in) operating activities (A)	114.05	(183.74)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(617.42)	(406.28)
Proceeds from sale of property, plant and equipment	7.87	33.78
Investment in subsidiaries	(4,691.70)	(0.10)
Business Purchase consideration paid	-	(13.50)
Proceeds from Investment in subsidiaries	-	-
Loan given to Subsidiaires	(2.00)	(23.32)
Repayment of loan from Subsidiaires	12.00	-
Proceeds / (Investment) in bank deposits, net	5,432.95	(5,988.07)
Interest received	175.49	37.57
Net cash generated from/(used in) investing activities (B)	317.19	(6,359.92)
Cash flows from financing activities		
Proceeds from issue of equity shares	-	5,936.36
Proceeds from issue of equity shares under ESOP's (refer to note 34)	11.89	5.86
Share Issue expenses (refer note 47)	-	(217.27)
Interest Payment on Lease liabilities (refer note b)	(65.45)	(25.85)
Principal Repayment of lease liabilities	(30.03)	(12.85)
Net cash (used in)/generated from financing activities (C)	(83.59)	5,686.25

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone statement of cash flows for the year ended March 31, 2023.
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022
Net (decrease) / increase in cash and cash equivalents (A+B+C)		347.65	(857.41)
Cash and cash equivalents at the beginning of the year		9.38	866.79
Cash and cash equivalents at the end of the year		357.03	9.38
Components of cash and cash equivalents			
Cash on hand		0.55	0.28
Deposits with original maturity of less than 3 months		345.60	-
Balance with banks in current accounts		10.88	9.10
Total cash and cash equivalents (refer note no.11)		357.03	9.38
Summary of significant accounting policies	2.2		

Notes:
a. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.
b. Refer note 35 for change in lease liabilities raising from financing activities

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

1. Corporate information

MedPlus Health Services Limited (the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Company is in the business of pathological laboratory testing and manufacturing, wholesale trading and contract manufacturing of pharma, fast-moving consumer goods and beauty products and rendering of management services to group companies and holds investments in subsidiary companies. The Company was converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28 June 2021 and accordingly the corporate identification number (CIN) changed to U85110TG2006PLC051845.

The Company was the subsidiary of Gangadi Investments Private Limited until 05 February 2021.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2023 and authorised for issue on May 25, 2023.

2. Significant accounting policies

2.1 a. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of preparation

The standalone financial statements of a company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period,

(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.

(iii) Share-Based payments are measured at fair value.

c. Functional and presentation currency

These standalone financial statements are presented in Indian rupees (Rs.), which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest millions (Rs. 000,000), unless otherwise indicated. The amount reflected as "0.00" in financials are value with less than ten thousand.

2.2 Summary of significant accounting policies

a. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies

a. Recent accounting pronouncements: (continued)

Ind AS 12 – Income Taxes

The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract (2022)

The amendment specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework (2022)

The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use (2022)

The amendment mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

b. Significant accounting, estimates and assumptions

The preparation of these standalone financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the standalone financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the standalone financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:-

Note 35- Leases

Assumptions and estimation uncertainties

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements are:

Impairment of trade receivables

The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies (continued)

b. Significant accounting, estimates and assumptions (continued)

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease of the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

2.2 Summary of significant accounting policies (continued)

c. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The Managing Director is the Company CODM within the meaning of Ind AS 108.

d. Current and non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Foreign currencies

Initial recognition

Transactions in foreign currencies are translated into functional currency of the company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in the statement of profit and loss in the period in which they arise.

f. Fair Value Measurement

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies (continued)

f. Fair Value Measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

Brand Fee

Brand fee is a percentage on revenue generated by the subsidiaries, recognised on accrual basis in accordance with the terms of the relevant agreement and there is significant certainty as to its collectability.

Management & Administrative fee Income

Management fee is recognised based on the services rendered and as per the terms of agreement and there is significant certainty as to its collectability.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Company recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Company measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price.

The amount collected on sale of discount coupon is recognised as liability and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired.

Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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2.2 Summary of significant accounting policies (continued)

h. Taxes (continued)

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the standalone statement of profit or loss is recognised outside the standalone statement ofprofit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

i. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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2.2 Summary of significant accounting policies (continued)

i. Property, Plant and Equipment (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the standalone statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule III
Furniture and fixtures	10	10
Vehicles	10	10
Data Processing Equipment	3-6	3-6
Plant and Equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Company represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies (continued)

l. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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2.2 Summary of significant accounting policies (continued)

m. Inventories

Inventories comprise of raw materials, packing materials, finished goods, stock-in-trade and stores and consumables and are valued at lower of cost or net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business reduced by the estimated costs of completion and estimated costs necessary to make the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories until expected to be capitalised.

The factors that the Company considers in determining the valuation of inventory includes shelf life and ageing of Inventory. The Company considers these factors and adjust valuation to reflect actual value of inventory.

n. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognised in the standalone statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

o. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

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2.2 Summary of significant accounting policies (continued)

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone statement of profit and loss in the subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q. Employee share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The standalone statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies (continued)

q. Employee share based payments (continued)

The amount of expenses pertaining to options granted to employees of the Company's subsidiaries are treated as Deemed Investments in respective subsidiaries to which employees belong and are recognised at each reporting period date until the vesting date, with corresponding impact in Share-based payment reserve.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Company's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees.

The company allocated shares to Trust at the time of formation of trust. The Company treats trust as its extension and these equity instruments are recognised at cost and deducted from equity.

r. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus except for trade receivables, transaction costs that are attributable to the acquisition of the financial asset.Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies (continued)

r. Financial Instruments (continued)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it valuates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

2.2 Summary of significant accounting policies (continued)

r. Financial Instruments (continued)

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

Compound instruments

Compound financial instruments issued by the company comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequently the liability is measured as per requirement of Ind AS 109.The equity component of a compound financial instrument is not subsequently measured.

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2.2 Summary of significant accounting policies (continued)

r. Financial Instruments (continued)

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s. Financial Guarantee

In a financial guarantee where the parent company has provided guarantee to its subsidiaries, Company treats the fair value of the guarantee as an equity infusion at the time of initial recognition and subsequently recognize the Guarantee premium over the period of guarantee.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies (continued)

u. Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

v. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

w. Earnings per equity share

Basic earnings equity per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings equity per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

y. Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

z. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

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3a. Property, plant and equipment

Particulars	Land	Leasehold improvements	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
As at April 01, 2021	79.50	4.04	89.28	2.62	3.21	2.82	181.47
Additions	63.80	25.18	169.65	8.84	9.02	0.85	277.34
Disposals	-	-	(34.89)	(0.15)	(0.20)	(0.34)	(35.58)
As at March 31, 2022	143.30	29.22	224.04	11.31	12.03	3.33	423.23
Additions	7.77	122.79	438.50	23.56	18.04	3.34	614.00
As at March 31, 2023	151.07	152.01	662.54	34.87	30.07	6.67	1,037.23
Accumulated Depreciation							
Up to April 01, 2021	-	1.93	16.22	1.51	2.84	0.61	23.11
Charge for the year	-	1.71	9.03	1.36	0.36	0.29	12.75
Disposals	-	-	(1.40)	(0.04)	(0.02)	(0.34)	(1.80)
Up to March 31, 2022	-	3.64	23.85	2.83	3.18	0.56	34.06
Charge for the year	-	13.67	45.64	6.06	1.72	0.50	67.59
Disposals	-	-	-	-	-	-	-
Up to March 31, 2023	-	17.31	69.49	8.89	4.90	1.06	101.65
Net carrying amount							
As at March 31, 2022	143.30	25.58	200.18	8.48	8.85	2.77	389.17
As at March 31, 2023	151.07	134.70	593.05	25.98	25.17	5.61	935.58

Title deeds of Immovable Properties not held in name of the Company:

Particulars	Description of item of property	Gross carrying value as on March 31, 2023	Gross carrying value as on March 31, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	5.51	63.80	Natco Pharma Limited	No	December 20, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale dated December 20, 2020. However, the Company is in the process of completing the registration of the same.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

3b. Capital work-in-progress

	As at March 31, 2023	As at March 31, 2022
Opening Balances	155.20	20.09
Additions during the year	614.01	244.05
Less: Capitalised during the year	(590.12)	(108.94)
Closing Balance	179.09	155.20

Note: The Company does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan.

Capital work-in-progress Ageing Schedule
As at March 31, 2023

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	167.82	3.09	8.18	-	179.09
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	143.39	11.81	-	-	155.20
Projects temporarily suspended	-	-	-	-	-

3c. Intangible assets

	Software	Total intangible assets
Gross carrying amount		
As at April 01, 2021	0.09	0.09
Additions	29.71	29.71
As at March 31, 2022	29.80	29.80
Additions	23.20	23.20
Disposals (Refer Note :39(B))	(11.18)	(11.18)
As at March 31, 2023	41.82	41.82
Accumulated Amortisation		
Up to April 01, 2021	0.08	0.08
Charge for the year	1.48	1.48
Up to March 31, 2022	1.56	1.56
Charge for the year	9.43	9.43
Disposals	(3.31)	(3.31)
Up to March 31, 2023	7.68	7.68
Net carrying amount		
As at March 31, 2022	28.24	28.24
As at March 31, 2023	34.14	34.14

Note: The Company doesn't have Intangible Assets under development

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MEDPLUS HEALTH SERVICES LIMITED * HYDERABAD

4. Right-of-use assets

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (Refer note: 35A)	824.40	432.74
	824.40	432.74

5. Investments

	As at March 31, 2023	As at March 31, 2022
Investments in subsidiaries carried at cost less impairment (refer note: 1)		
a) Unquoted equity instruments		
209,784,441 (March 31, 2022: 199,521,041) equity shares of Rs.10 each fully paid-up in Optival Health Solutions Private Limited (refer note: 1)	8,271.15	3,599.45
7,010,000 (March 31, 2022: 7,010,000) equity shares of Rs.10 each fully paid-up in MHS Pharmaceuticals Private Limited (Refer Note:49)	70.10	70.10
6,860,000 (March 31, 2022: 6,860,000) equity shares of Rs.10 each fully paid-up in Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)	68.60	68.60
14,077,350 (March 31, 2022: 14,077,350) equity shares of Rs.10 each fully paid-up in Wynclark Pharmaceuticals Private Limited (formerly known as Med supply Distributors Private Limited)	140.77	140.77
20,000,000 (March 31, 2022: Nil) equity shares of Rs.10 each fully paid-up in MedPlus Insurance Brokers Private Limited	20.00	-
10,000 (March 31, 2022: 10,000) equity shares of Rs.10 each fully paid-up in Clearancekart Private Limited	0.10	0.10
386,636 (March 31, 2022: 386,636) equity shares of Rs.10 each fully paid-up in Kalyani Meditimes Private Limited	35.00	35.00
Aggregate gross value of unquoted investments (A)	8,605.72	3,914.02
b) Deemed investment (refer note 39)		
Optival Health Solutions Private Limited	591.23	388.03
MHS Pharmaceuticals Private Limited	1.92	1.92
Venkata Krishna Enterprises Private Limited	7.37	6.21
Sidson Pharma Distributors Private Limited	0.34	0.09
Aggregate value of deemed investments (B)	600.86	396.25
Aggregate value of unquoted investments including deemed investments (C=A+B)	9,206.58	4,310.27
Less: Impairment in value of investments	(35.00)	(125.77)
Aggregate amount of impairment in value of investments (D)	(35.00)	(125.77)
Total (C+D)	9,171.58	4,184.50
Aggregate value of unquoted investments including deemed investments	9,206.58	4,310.27
Aggregate provision for impairment in value of investments	35.00	125.77
Movement in provision for impairment:		
Opening balance	(125.77)	(125.77)
Created during the year	(35.00)	-
Reversals during the year	125.77	-
Closing balance	(35.00)	(125.77)

Note 1

The Company holds 100% (31 March 2022: 100%) of the shareholding in all subsidiaries except for Optival Health Solutions Private Limited and Kalyani Meditimes Private Limited (KMT) wherein the Company's holding constitutes to 99.99% & 88.11% respectively (31 March 2022: 99.99% and 65.53% respectively) of the paid-up capital of the subsidiary.

Note 2	March 31, 2023	March 31, 2022
Impairment reversal of Wynclark Pharmaceuticals Private Limited	125.77	-
Provision for impairment of investment in KMT	(35.00)	-
Provision on loan and other receivables from KMT	(21.33)	-
Net Impairment Reversal	69.44	-

The Company has performed an assessment of realisability of the carrying value of its investments in subsidiaries as at 31 March 2023, pursuant to which an amount of Rs.125.77 recognized as an impairment loss towards investments in Wynclark Pharmaceuticals Private Limited during the earlier years has now been reversed. This reversal was mainly due to significant improvement in the operational and financial performance of the aforesaid subsidiary leading to consistent profits being earned from its operations and the Company's plan with respect to the future operations.

Further, pursuant to the aforesaid said assessment carried out, Company has also recognized a provision towards impairment of its investments and loans receivable (including interest receivables) from Kalyani Meditimes Private Limited (KMT) to the tune of Rs.35.00 and Rs. 21.33, respectively. The provision for impairment was mainly on account of a significant decline in the operations of KMT.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

6. Loans	As at March 31, 2023	As at March 31, 2022
Loans receivables considered good- secured	-	-
Loans receivables considered good- unsecured	-	-
Loan to related party (refer note below)	17.82	27.82
Loans receivable which have significant increase in credit risk	-	-
Loans receivable- credit impaired	-	-
	17.82	27.82
Less: Loss allowance	(17.82)	-
	-	27.82

Note:

Loan 1

The Company has given loan to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable monthly. The loan is repayable on demand within one working day of such demand. The outstanding balance of the loan as at March 31, 2023 is Rs 4.50 millions (March 31, 2022 : 4.5 millions)

Loan 2

The Company has given loan to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable yearly. The loan is repayable in 12 months from the issue date. The Outstanding balance of the loan as at March 31, 2023 is Rs. 13.32 millions (March 31, 2022 : 23.32 millions)

7. Other financial assets		As at March 31, 2023	As at March 31, 2022
(a) Non-current			
Unsecured, considered good			
Security deposits		25.75	19.15
	(A)	25.75	19.15
Unsecured, considered Doubtful			
Security deposits		0.46	0.46
		0.46	0.46
Less: Provision for doubtful deposits		(0.46)	(0.46)
	(B)	-	-
Total	(A+B)	25.75	19.15
(b) Current			
Unsecured, considered good			
Bank Deposits with remaining maturity of less than 12 months		10.52	5,923.07
Deposit with others*		30.00	30.00
Interest accrued on bank deposits		4.83	41.46
Advance to employees		1.33	1.09
Share issue expense receivable**		8.94	172.28
Total current		55.62	6,167.90

* Deposits paid to Bombay Stock Exchange Limited ('BSE') in connection with IPO.

** The Company has spent / accrued Rs. 536.83 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and company in proportion of their shares. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders / IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

8. Non-current tax asset	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance Tax (Net of provision Rs. 20.43 (March 31, 2022: Rs. Nil))	24.68	26.99
Total	24.68	26.99

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9. Other assets	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
Unsecured, considered good		
Capital advances	17.95	59.65
Balances with statutory or government authorities	0.41	5.51
Unsecured, considered doubtful		
Balances with statutory or government authorities	0.11	0.11
Advance to vendors	7.02	-
	25.49	65.27
Provision for doubtful balances	(7.13)	(0.11)
	18.36	65.16
(b) Current		
Unsecured, considered good		
Balances with statutory or government authorities	3.08	3.69
Advance to vendors	98.30	45.72
Prepaid expenses	4.23	2.00
	105.61	51.41

10. Inventories	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost or net realisable value)		
Raw material (including packing material)	51.21	29.76
Work-In-progress	5.78	1.25
Finished goods	5.24	4.86
Stock-in-trade	-	0.95
Stores and consumables	4.64	2.18
	66.87	39.00

11. Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- On current accounts	10.88	9.10
Bank deposits with original maturity of less than three months	345.60	-
Cash on hand	0.55	0.28
	357.03	9.38

12. Other bank balances		
Bank deposits with original maturity of more than 3 months and less than 12 months	544.60	65.00
	544.60	65.00

Note: Interest accrued on fixed deposits is disclosed in note no.7(b)

13. Trade receivables	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured*	376.11	212.88
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	0.82	0.39
	376.93	213.27
Less: Loss allowance	(0.82)	(0.39)
Total	376.11	212.88

* Includes amount receivable from related parties (refer note 39 C)

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

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13. Trade receivables (continued)

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	373.67	2.42	0.01	-	-	-	376.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.50	0.28	-	-	0.82
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	373.67	2.46	0.51	0.28	-	-	376.92
Less: Loss allowance							(0.82)
							376.10

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	135.88	77.00	0.00	0.00	0.00	0.00	212.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.34	0.02	0.01	0.02	0.39
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
Total	135.88	77.00	0.34	0.02	0.01	0.02	213.27
Less: Loss allowance							(0.39)
							212.88

Note: There are no unsecured and no disputed trade receivable outstanding as at March 31, 2023 and March 31, 2022.

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14. Share capital	As at March 31, 2023	As at March 31, 2022
Equity shares		
Authorised share capital		
(i) Equity shares of Rs.2/- each (March 31, 2022: Rs. 2/- each)		
As at beginning of the year (270,883,000 (March 31, 2022: 4,650,000) equity shares)	541.77	4.65
Cancellation of Nil (March 31, 2022: 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each)	-	439.00
Increase during the year (Nil (March 31, 2022: 49,058,000) equity shares)	-	98.12
As at end of the year (270,883,000 (March 31, 2022: 270,883,000 equity shares of Rs. 2/- each) equity shares of Rs.2 /- each)	541.77	541.77
*On July 23, 2021 the equity shares of the Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 465,000 equity shares of face value of Rs.10 each were subdivided into 2,325,000 equity shares of face value of Rs. 2 each.		
(ii) Preference shares of Rs.20/- each		
As at beginning of the year Nil Preference shares (March 31, 2022: 21,950,000) of Rs.10/- each preference shares	-	439.00
Cancellation of 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each	-	(439.00)
As at end of the year (Nil (March 31, 2022: Nil) preference shares)	-	-
Total Authorised share capital	541.77	541.77
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
119,305,676 equity shares of Rs.2/- each	238.61	238.61
Less: Amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 10,420 (March 31, 2022: 21,764 equity shares of Rs.10/- each) equity shares of Rs. 2/- each (refer note 34)	-	(0.01)
Total Issued, subscribed and fully paid up equity share capital	238.61	238.60
Total issued, subscribed and fully paid up share capital	238.61	238.60

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14. Share capital (continued)

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

i) Equity shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	11,93,05,676	238.60	4,58,409	4.58
Increase in shares on account of subdivision *	-	-	18,33,636	-
Conversion of Series A CCPS in to equity shares	-	-	1,41,82,105	28.36
Conversion of Series B CCPS in to equity shares	-	-	5,97,58,400	119.52
Conversion of Series B1 CCPS in to equity shares	-	-	1,52,67,800	30.54
Conversion of Series B2 CCPS in to equity shares	-	-	1,68,16,850	33.63
Conversion of Series C1 CCPS in to equity shares	-	-	28,04,480	5.61
Conversion of Series C2 CCPS in to equity shares	-	-	6,39,485	1.28
Increase in shares on account of Fresh Issue of shares in IPO**	-	-	75,44,511	15.09
Outstanding at the end of the year	11,93,05,676	238.60	11,93,05,676	238.61
Less : Recoverable from ESOP trust	-	-	(4,19,841)	(0.01)
Net outstanding at the end of the year	11,93,05,676	238.60	11,88,85,835	238.60

* On July 23, 2021 the equity shares of the Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 458,409 equity shares of face value of Rs.10 each were subdivided into 2,292,045 equity shares of face value of Rs.2 each.

** The Company has completed its Initial Public Offer ('IPO') and listed its equity shares on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on December 23, 2021.The Company has made fresh Issue of 7,544,511 equity shares.(refer note 46 for details of the same)

ii) 0.001% Series A CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	28,36,421	56,72,842
Conversion of Nil (March 31, 2022: 2,836,421), 0.001% Series A CCPS into Nil (March 31, 2022: 14,182,105) equity shares of Rs.2 each	-	-	(28,36,421)	(56,72,842)
Outstanding at the end of the year	-	-	-	-

iii) 0.001% Series B CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,19,51,680	239.03
Conversion of Nil (March 31, 2022: 11,951,680), 0.001% Series B CCPS into Nil (March 31, 2022: 59,758,400) equity shares of Rs.2 each	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	-	-	-	-

iv) 0.001% Series B1 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	30,53,560	61.07
Conversion of Nil (March 31, 2022: 3,053,560), 0.001% Series B1 CCPS into Nil (March 31, 2022: 15,267,800) equity shares of Rs.2 each	-	-	(30,53,560)	(61.07)
Outstanding at the end of the year	-	-	-	-

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14. Share capital (continued)

v) 0.001% Series B2 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	33,31,120	66.62
Conversion of Nil (March 31, 2022: 1,654,702), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,273,510) equity shares of Rs.2 each	-	-	(16,54,702)	(33.09)
Conversion of Nil (March 31, 2022: 1,676,418), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,543,340) equity shares of Rs.2 each	-	-	(16,76,418)	(33.53)
Outstanding at the end of the year	-	-	-	-

vi) 0.001% Series C1 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	5,60,896	11.22
Conversion of Nil (March 31, 2022: 560,896), 0.001% Series C1 CCPS into Nil (March 31, 2022: 2,804,480) equity shares of Rs.2 each	-	-	(5,60,896)	(11.22)
Outstanding at the end of the year	-	-	-	-

vii) 0.001% Series C2 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,60,147	3.20
Conversion of Nil (March 31, 2022: 160,147), 0.001% Series C2 CCPS into Nil (March 31, 2022: 639,485) equity shares of Rs.2 each	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	-	-	-	-

(b)Terms and rights attached to equity shares

(i) Equity shares

The Company has only one class of equity shares having par value of Rs.2 per share (March 31, 2022- Rs. 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 0.001% Series A CCPS

The Company has issued 0.001% Series A CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

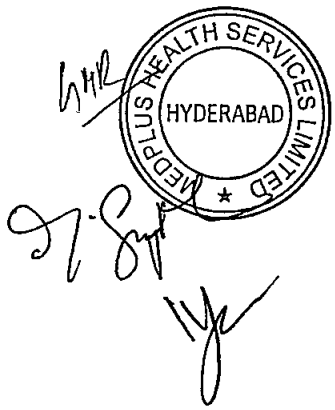
iii) 0.001% Series B CCPS

The Company has issued 0.001% Series B CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

iv) 0.001% Series B1 CCPS

The Company has issued 0.001% Series B1 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.





14. Share capital (continued)

(b)Terms and rights attached to equity shares (continued)

v) 0.001% Series B2 CCPS
The Company has issued 0.001% Series B2 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

vi) 0.001% Series C1 CCPS
The Company has issued 0.001% Series C1 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

vii) 0.001% Series C2 CCPS
The Company has issued 0.001% Series C2 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

(c) Terms of conversion of preference shares

i) 0.001% Series A CCPS
0.001% Series A CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS , not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B CCPS
0.001% Series B CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

iii) 0.001% Series B1 CCPS
0.001% Series B1 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

iv) 0.001% Series B2 CCPS
0.001% Series B2 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

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14. Share capital (continued)

(c) Terms of conversion of preference shares (continued)

v) 0.001% Series C1 CCPS

0.001% Series C1 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 CCPS

0.001% Series C2 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

(d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs.2 each fully paid up				
G.Madhukar Reddy	1,53,50,400	12.87%	1,53,50,400	12.87%
PI Opportunities Fund I	1,68,34,759	14.11%	1,68,34,759	14.11%
Lavender Rose Investment Ltd	1,77,59,127	14.89%	2,05,63,607	17.24%
Lone furrow investment private limited	1,72,33,240	14.44%	1,72,33,240	14.44%
Agilemed Investments Private Limited	1,56,49,495	13.12%	1,56,49,495	13.12%
SBI Mutual Fund	79,00,000	6.62%	1,06,23,576	8.90%

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14. Share capital (continued)

(e) During the five years immediately preceding the year, ended March 31, 2023, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (g) below.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (Refer note 34)

(g) Details of Bonus issue

		Number of shares
	During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i)	1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii)	1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii)	40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv)	40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v)	40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi)	40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
		2,13,96,708

(h)

Details of Promoter shareholding	As at March 31, 2023			As at March 31, 2022	
Promoter Name	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares
Madhukar Reddy Gangadi	1,53,50,400	12.87%	0.00%	1,53,50,400	12.87%
Agilemed Investments Private Limited	1,56,49,495	13.12%	0.00%	1,56,49,495	13.12%
Lone Furrow Investment Limited	1,72,33,240	14.44%	0.00%	1,72,33,240	14.44%

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15. Other equity

	As at March 31, 2023	As at March 31, 2022
(i) Securities premium		
Opening balance	11,835.53	2,492.69
Add: Issue of shares (refer note 14(a))	-	5,984.91
Less: Share Issue expenses	-	(217.27)
Add: Conversion of CCPS to equity shares	-	3,166.15
Add: Transferred from share based payment reserve upon exercise of options	30.78	409.05
Add: Proceeds from issue of equity shares issued under ESOP	10.70	-
Less: Utilized for issue of bonus shares	-	-
	11,877.01	11,835.53
Less: Amount recoverable from ESOP trust (refer note 34)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	67.51
Add: Proceeds from issue of equity shares under ESOP	7.05	5.86
	(2.88)	(4.07)
Closing Balance	11,874.13	11,831.46
(ii) Equity component of compound financial instruments		
Opening balance	-	3,708.06
Less: Conversion of 0.001% Series A CCPS	-	(56.72)
Less: Conversion of 0.001% Series B CCPS	-	(239.03)
Less: Conversion of 0.001% Series B1 CCPS	-	(61.07)
Less: Conversion of 0.001% Series B2 CCPS	-	(66.62)
Less: Conversion of 0.001% Series C1 CCPS	-	(11.22)
Less: Conversion of 0.001% Series C2 CCPS	-	(3.20)
Less: Transfer of Series A CCPS securities premium in to securities premium account	-	(1,981.65)
Less: Transfer of Series C1 CCPS securities premium in to securities premium account	-	(751.12)
Less: Transfer of Series C2 CCPS securities premium in to securities premium account	-	(214.46)
Less: Transfer of Series C2 CCPS fair value increment in to General reserve	-	(322.97)
Closing Balance	-	-

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(i) Par value of the instruments issued:		
0.001% Series A CCPS of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS	-	(239.03)
At the end of the year	-	-

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
0.001% Series B1 CCPS of Rs.20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS	-	(61.07)
At the end of the year	-	-
0.001% Series B2 CCPS of Rs.20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS	-	(66.62)
At the end of the year	-	-
0.001% Series C1 CCPS of Rs.20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C1 CCPS	-	(11.22)
At the end of the year	-	-
0.001% Series C2 CCPS of Rs.20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(ii) Securities premium on CCPS issued		
Opening balance	-	3,708.06
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Less: Transfer to Securities premium account due to conversion of CCPS in to Equity	-	(3,385.09)
Amount included in 'Equity component of compound financial instruments' above	-	-

* Rounded off to millions

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	As at March 31, 2023	As at March 31, 2022
(iii) Share based payment reserve		
Opening balance	113.94	486.55
Add: Gross compensation for options granted during the year	221.19	107.37
Less: Transfer to Security premium account	(30.78)	(409.05)
Less: Stock options lapsed	-	(3.42)
Less: Transfer to Amount Recoverable From ESOP Trust	-	(67.51)
Closing balance	304.35	113.94
(iv) General reserve		
Balance at the beginning of the year	355.03	28.64
Add: Stock options lapsed	-	3.42
Add: Fair value movement in the value of the CCPS transfer to general reserve	-	322.97
Balance at the end of the year	355.03	355.03

15. Other equity (continued)

	As at March 31, 2023	As at March 31, 2022
(v) Capital reserve		
Opening balance (refer note no; 44)	7.62	7.62
Add: During the year	-	-
Closing balance	7.62	7.62
(vi) Amalgamation adjustment account		
Opening balance (refer note no; 44)	(98.39)	(98.39)
Closing balance	(98.39)	(98.39)
(vii) Retained earnings		
Opening balance	(1,320.45)	(1,377.41)
Profit for the year	55.44	55.79
Other comprehensive (loss)/ income for the year	(3.56)	1.17
Closing balance	(1,268.57)	(1,320.45)
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii))	11,174.17	10,889.21

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Company has granted equity settled share based payment plans for certain categories of employees of the Company. (Refer note 34).

c) General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Retained earnings

Retained earnings are profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Capital reserve

Capital reserve represents reserve created as part of common control transaction (business transfer) in financial year 2021.

f) Amalgamation adjustment account

Represents reserve created as part of common control transaction (business transfer) in financial year 2021.

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16. Trade payables

	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues to micro and small enterprises ('MSME') (refer note 38)	3.61	0.43
- Total outstanding dues to other than micro and small enterprises ('MSME'):		
- to related parties (refer note 39)	1.36	-
- to others	122.92	54.87
	127.89	55.30

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	0.01	3.60	-	-	-	3.61
(ii) Others	0.18	106.36	0.05	0.07	-	106.66
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	0.19	109.96	0.05	0.07	-	110.26
Accrued expenses						17.63

Ageing of trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	-	0.43	-	-	-	0.43
(ii) Others	1.92	48.32	0.44	-	0.02	50.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1.92	48.75	0.44	-	0.02	51.13
Accrued expenses						4.17
						55.30

17. Lease liabilities

	As at March 31, 2023	As at March 31, 2022
Non-current		
Lease liabilities (refer note 35 C)	808.15	416.84
	808.15	416.84
Current		
Lease liabilities (refer note 35 C)	49.89	27.32
	49.89	27.32

18. Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Creditors for capital goods	20.20	18.23
Employee dues payable	33.42	10.56
Purchase consideration payable	175.99	175.99
	229.61	204.78

19. Provisions

	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
Provision for gratuity, partly funded (refer note 33)	18.35	7.14
	18.35	7.14
(b) Current		
Provision for gratuity, partly funded (refer note 33)	1.45	1.38
Provision for compensated absences, unfunded	8.88	5.98
	10.33	7.36

20. Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	21.02	22.40
	21.02	22.40

21. Contract liabilities

	As at March 31, 2023	As at March 31, 2022
Advance from customers	2.34	1.18
Unearned revenue	39.06	4.41
	41.40	5.59
Movement in unearned revenue on Membership Fees		
As at beginning of the year	4.41	-
Collected during the year	114.99	4.90
Revenue recognised during the year	(80.34)	(0.49)
As at end of the year	39.06	4.41

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22. Revenue from Contract with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Revenue from Operations		
Sale of services	305.54	74.76
Sale of general and pharmaceutical items	1,718.21	1,285.95
	2,023.75	1,360.71
b. Other operating revenue		
Management and administrative fees income	48.75	41.44
Brand fee	66.76	54.99
	115.51	96.43
Total	2,139.26	1,457.14

Refer note 39 for transactions with related parties

Disclosures as per Ind AS 115 - Revenue from contract with customers

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers at contracted price	2,193.04	1,462.95
Less: Discounts offered	(169.29)	(102.24)
Revenue from contract with customers	2,023.75	1,360.71

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on segment:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Diagnostic services	305.54	74.76
Sale of general and pharmaceutical items	1,718.21	1,285.95
Revenue from contract with customers	2,023.75	1,360.71

c. Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the year ended March 31, 2023 and March 31, 2022:

As at beginning of the year	4.41	-
Collected during the year	114.99	4.90
Revenue recognised during the year	(80.34)	(0.49)
As at end of the year	39.06	4.41

d. Revenues from significant customers

Revenues from one customer amounts to Rs. 1,718.20 (March 31, 2022: Rs. 979.95) which is 100% of total revenue (March 31, 2022 76%)

e. Contract balances:

Particuars	As at March 31, 2023	As at March 31, 2022
Trade receivables (refer note 13)	376.11	212.88
Advance from customers (refer note 21)	2.34	1.18
Unearned revenue on membership fees (refer note 21)	39.06	4.41

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23. Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
- On bank deposits	134.66	71.95
- Others	7.49	3.90
Rental income (refer notes 35B and 39)	6.31	3.30
Financial guarantee income (Refer note 39)	1.47	9.29
Liabilities no longer required written back	2.69	0.02
Gain on de-recognition of right-of-use assets	2.03	1.76
Miscellaneous income	7.74	5.19
	162.39	95.41

24. Purchases of stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	1,283.83	972.12
Transport Charges	31.08	-
	1,314.91	972.12

25. Cost of materials Consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials (including stores and consumables) at the beginning of the year	31.94	20.79
Add: Purchases during the year	281.69	204.71
Less: Raw materials (including stores and consumables) at the end of the year	55.86	31.94
	257.77	193.56

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	4.86	5.97
Work-in-progress	1.25	0.71
Stock-in-trade	0.95	20.38
	7.06	27.06
Less : Inventories at the end of the year		
Finished goods	5.24	4.86
Work-in-progress	5.78	1.25
Stock-in-trade	-	0.95
	11.02	7.06
Change in inventories	(3.96)	20.00

27. Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	236.72	109.14
Contribution to provident fund and other funds (refer note 33)	12.05	3.82
Gratuity expense (refer note 33)	7.80	2.70
Employees stock option compensation expenses (refer note 34)	18.07	17.28
Staff welfare expenses	6.81	4.38
	281.45	137.32

28. Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3a)	67.59	12.75
Amortisation on Intangible asset (refer note 3c)	9.43	1.48
Depreciation on right-of-use assets (refer note 35)	76.05	32.09
	153.07	46.32

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29. Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities (refer note 35C)	65.45	25.85
Interest on others	-	0.46
	65.45	26.31

30. Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates and taxes	3.91	8.67
Electricity charges	25.72	5.72
Communication costs	1.63	0.26
Travelling and conveyance	6.75	2.84
Printing and stationary	7.62	1.67
Legal and Professional charges - Doctors Fees	56.90	-
Legal and Professional charges - Others	27.08	29.02
Payment to auditors (refer details below)	1.71	1.86
Directors sitting fees	4.85	3.85
Insurance	2.98	1.07
Repairs and maintenance		
- Plant and machinery	14.52	5.09
- Others	-	-
Advertisement and sales promotion	62.84	34.09
Provision for doubtful debts	0.43	0.35
Provision for doubtful Advances	3.51	-
Advances/debts written off	0.13	-
Miscellaneous expenses	5.96	6.64
	226.54	101.13

Payment to Statutory auditor

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors:		
Statutory audit fee*	1.50	1.37
Certification fee	-	0.32
Reimbursement of expenses	0.21	0.17
	1.71	1.86

* Auditor's fees of Rs.18.81 towards IPO related for the year ended March 31, 2022 deliverables is not included.

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31. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company	55.44	55.79
Earnings per equity share		
Weighted average number of shares for considered for Basic EPES		
(i) Equity shares		
Number of shares at the beginning of the year	11,93,05,676	4,36,645
Weighted average number of shares issued during the year	-	20,46,319
Add: Conversion of preference shares to equity shares	-	4,77,74,742
Add: Exercise of employee stock options during the period	-	65,813
Add: Increase on account of share split during the year	-	17,46,580
Weighted average number of shares outstanding during the year	11,93,05,676	5,20,70,099
(ii) CCPS		
Number of shares at the beginning of the year	-	2,10,23,264
Add: Increase on account of share split during the year*	-	8,40,93,056
Add: Exercise of employee stock options during the year	-	26,32,517
Less: Conversion of preference shares to equity shares	-	(4,77,74,742)
Weighted average number of shares outstanding during the year	-	5,99,74,095
Weighted average number of shares considered for Basic EPES (i)+(ii)	11,93,05,676	11,20,44,194
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year	3,45,267	4,31,204
Weighted average number of equity shares for diluted EPES*	11,96,50,943	11,24,75,398
Face value of each equity share (In absolute Rs. terms)	2.00	2.00
Face value of each CCPS considered as equity (In absolute Rs. terms)	-	-
Earnings per equity share (In absolute Rs. terms)		
- Basic	0.46	0.50
- Diluted	0.46	0.50

* In line with the requirements of para 28 of Ind AS 33, for the purpose of EPES calculations, bonus shares issued and share split have been considered as if the event of bonus issue/ share split had occurred at the beginning of the earliest year presented.

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32. Taxes

(a) The major components of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are:

(i) Profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
Current income tax charge	20.42	-
Interest on income tax	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense recognised in standalone statement of Profit and Loss	20.42	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(Loss) before tax	75.86	55.79
Enacted tax rate in India	25.17%	25.17%
Expected tax expenses	19.09	14.04
Tax effect on impairment reversals	(22.84)	-
Tax effect on others	12.56	(14.04)
Tax for earlier years	11.61	-
Total Tax expense	20.42	-
Tax expense as per standalone Statement of Profit and Loss Account	20.42	-

(c) As a matter of prudence, the Company has not recorded deferred tax asset (net) aggregating to Rs.257.49 (March 31, 2022: Rs.134.43), since the Company is not probable that taxable profit will be available against which the deferred tax asset can be utilized. The details of deferred tax asset considered to the extent of deferred tax liabilities are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	212.21	109.78
Deferred tax assets	(212.21)	(109.78)
Net amount accounted	-	-

The Company has business losses amounting to Rs. 116.12 which can be carried forward for the next 7 years and unabsorbed depreciation loss amounting to Rs. 8.24.

Note 1:

The Company has received a demand notice of Rs. 34.86 on account of certain disallowances and additions to the total income. The Company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts by an independent external consultant, the Company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

33. Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Company has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded in the form of a qualifying insurance policy managed by Life Insurance Corporation of India.

The components of gratuity cost recognised in the standalone statement of profit and loss for the year ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	12.34	11.72
Current service cost	7.14	2.06
Interest on defined obligations	0.89	0.77
Benefits paid	(0.05)	(0.97)
Re-measurements due to:		
- change in assumptions	(0.29)	(0.33)
- due to experience adjustment	3.75	(0.91)
Defined benefit obligations at the end of the year	23.78	12.34
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	3.82	1.72
Employer contributions	0.03	3.01
Employer Direct benefits payments	0.05	-
Interest on plan assets	0.28	0.19
Benefits paid	(0.05)	(0.97)
Expenses	(0.04)	(0.06)
Remeasurements-return on plan assets	(0.11)	(0.07)
Plan assets at the end of the year	3.98	3.82
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	7.14	2.06
Interest on net defined benefit liability, net	0.94	0.83
Excepted return on plan assets	(0.28)	(0.19)
Gratuity cost recognised in statement of profit and loss*	7.80	2.70

* The above amount doesn't include the gratuity cost related to employees of the acquired MHS Pharmaceuticals business.

Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(0.29)	(0.33)
Remeasurements - due to experience adjustment	3.75	(0.91)
Remeasurements - return on plan assets	0.10	0.07
Components	3.56	(1.17)

Details of the employee defined benefits obligations and plan assets are provided below:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	23.78	12.34
Fair value of plan assets	(3.98)	(3.82)
Fair value of plan assets	19.80	8.52

Bifurcation of net defined benefit liability

Particulars	As at March 31, 2023	As at March 31, 2022
Current liabilities	1.45	1.38
Non- current Liabilities	18.35	7.14
	19.80	8.52

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

33. Employee benefits (continued)

I. Post Employment Benefits (continued)

A. Defined Benefits Plan - Gratuity (continued)

Sensitivity Analysis: ((Increase) / decrease in obligation)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(1.64)	(0.71)
- 1% decrease	1.88	0.81
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	1.56	0.58
- 1% decrease	(1.42)	(0.51)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.28)	(0.04)
- 1% decrease	0.29	0.05

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.51%	7.34%
Rate of return of plan assets	7.51%	7.34%
Attrition rate	10.00%	10.00%
Rate of compensation increase	9.00%	9.00%

The expected future cash flows in respect of gratuity were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Expected future benefit payments		
Less than a year	2.09	1.38
Between 2-5 years	10.38	6.88
More than 5 years	10.06	4.44

B. Defined Contribution Plan

Provident fund and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Company has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense towards for the year aggregated to Rs. 12.05 (March 31, 2022: Rs. 3.82) and is included in "contribution to provident fund and other funds".

II. Other benefits - Leave Encashment

The employees of the Company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leaves is recognized in the year in which the absences occur.

The amount recognised as an expense towards leave compensated absences for the year aggregated to Rs. 3.25 (March 31, 2022: Rs. 0.90).

34. Employee stock option plan

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares.

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 options to the Trust.

The Company has allotted (before giving impact of bonus and split) 4,110 equity shares and 5,563 shares to the trust at premium of Rs. 0.01102 per share and Rs. 0.00578 per share respectively, aggregating total securities premium of Rs. 77.44

Amount receivable from the trust for options granted aggregating to Rs.77.54 (Face value – Rs 0.10 and Premium of Rs 77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year March 31, 2023 416 (March 31, 2022 8,760) options were exercised by employees which resulted in

(i) increase in paid up capital by March 31, 2023 Rs. 0.00 (March 31, 202: Rs. 0.09) and

(ii) increase of securities premium by March 31, 2023 Rs. Nil (March 31, 202: Rs. 67.51)

Further, recovery of Rs. 11.89 (March 31, 2022: Rs. 5.86) from ESOP trust was done on account of exercised options during the year ended March 31, 2023

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

34. Employee stock option plan (continued)

Employees stock option and share plan 2009

Particulars	March 31, 2023	March 31, 2022
Number of options granted	Nil	905
Method of settlement (Cash/Equity)	NA	Equity
Vesting period	NA	300 options have vested 266 options vest over the financial year 2022-23 174 options vest over the financial year 2023-24 153 options vest over the financial year 2024-25 12 options vest over the financial year 2025-26
Exercise period	NA	4 years for 905 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	NA	None

(b) The details of the activity have been summarized below

	As at March 31, 2023 (No. of options)	As at March 31, 2022 (No. of options)
Outstanding at the beginning of the year	905	9,173
Exercisable at the beginning of the year	300	8,770
Granted during the year	-	562
Forfeited during the year	-	-
Exercised during the year	416	8,760
Vested during the year	216	355
Expired during the year	100	70
Outstanding at the end of the year*	389	905
Exercisable at the end of the year	100	300
Weighted average remaining contractual life (in years)	-	-

*One option equals to 461.25 equity shares

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

34. Employee stock option plan (continued)

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2023 the Company has granted 95,941 (March 31, 2022: 70,317) Options to its employees and 36,900 (March 31, 2022: 865,587) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of Rs 541.98 per option on March 30, 2023 (March 31, 2022: 232 per option on November 22, 2021).

Employees stock option and share plan 2021

Particulars	As at March 31, 2023	As at March 31, 2022
Number of options granted	1,32,841	935,904
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	9,594 options vest in 12 months from the grant date. 23,985options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377options vest in 36 months from the grant date.	106,316 options vest in 12 months from the grant date. 239,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 224,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 355,535 options vest in 48 months from the grant date.
Exercise period	3 years Committee may extend the Exercise period on case to case basis.	3 years Committee may extend the Exercise period on case to case basis.
Vesting conditions	None	None

(b) The details of the activity have been summarized below

Particulars	As at March 31, 2023 (No. of options)	As at March 31, 2022 (No. of options)
Outstanding at the beginning of the year	9,35,904	-
Exercisable at the beginning of the year	-	-
Granted during the year	1,32,841	9,35,904
Forfeited during the year	30,987	-
Exercised during the year	-	-
Vested during the year	1,04,328	-
Expired during the year	-	-
Outstanding at the end of the year	10,37,758	9,35,904
Exercisable at the end of the year	1,04,328	-
Weighted average remaining contractual life (in years)	-	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2023	March 31, 2022
Weighted average share price/ market value	634.55	795.80
Exercise price (Rs. per share)	541.98	232.00
Options granted	1,32,841	9,35,904
Date of grant	March 30, 2023	November 22, 2021
Expected volatility	20.00%	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period + 3 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	204.00	634.37

Effect of the employee option plan on the standalone Statement of Profit and Loss and on its financial position

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total employee compensation cost pertaining to stock option plan *	18.07	17.28
Reserves - employee stock option plan outstanding as at the period end	304.35	113.94

*Does not include Rs. 203.14 (March 31, 2022: Rs 90.1) pertaining to ESOP issued to the employees of subsidiaries.

Note: The management of the Company made an application with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during the year ended 31 March 2023 in connection with seeking their approval for allotment of equity shares of the Company to the employees of the subsidiaries granted in accordance with The ESOP 2021 plan. An in-principle approval of the BSE and NSE has been received in this regard. However, the approval is subject to ratification of the scheme and the underlying stock options granted to the employees of the subsidiaries through a separate Special Resolution by the shareholders of the Company. The necessary process to seek the approval of the shareholders has already been initiated by the management subsequent to the year ended 31 March 2023. However, in view of the management, the said process is not expected to have any impact on these financial statements, including the accounting for the stock options granted to the employees of the subsidiaries

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35. Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

A Movement of right of use asset for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Buildings	Total
Gross carrying amount as at March 31, 2021	-	77.54	77.54
Additions	-	423.43	423.43
Deletions	-	29.36	29.36
Gross carrying amount as at March 31, 2022	-	471.61	471.61
Additions	62.55	446.40	508.95
Deletions	-	46.96	46.96
Gross carrying amount as at March 31, 2023	62.55	871.05	933.60
Accumulated Depreciation			
Upto April 01, 2021	-	(9.14)	(9.14)
Depreciation charge for the year	-	(32.09)	(32.09)
Deletions	-	2.36	2.36
Upto March 31, 2022	-	(38.87)	(38.87)
Depreciation charge for the year	(2.96)	(73.09)	(76.05)
Deletions	-	5.72	5.72
Upto March 31, 2023	(2.96)	(106.24)	(109.20)
Net Carrying amounts			
Balance as at March 31, 2022	-	432.74	432.74
Balance as at March 31, 2023	59.59	764.81	824.40

* The aggregate depreciation expenses for the year on right -of-use assets is included under depreciation and amortisation expense in the Statement of profit and loss.

B The Following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short - term lease expense	-	-
Rental income from sub-lease	6.31	3.30

C Following are the changes in the lease liabilities for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Buildings	Total
Balance as at March 31, 2021	-	73.06	73.06
Additions	-	412.55	412.55
Finance cost accrued during the year	-	25.85	25.85
Deletions	-	28.60	28.60
Payment of lease liabilities	-	38.70	38.70
Balance as at March 31, 2022	-	444.16	444.16
Additions	56.08	431.11	487.19
Finance cost accrued during the year	2.12	63.33	65.45
Deletions	-	43.28	43.28
Payment of lease liabilities	4.10	91.38	95.48
Balance as at March 31, 2023	54.10	803.94	858.04

* Lease payments during the year have been disclosed under financing activities in the Statement of Cash flows.

Bifurcation of lease liabilities	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	808.15	416.84
Current lease liabilities	49.89	27.32

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

35. Leases (continued)

D The following is the cash outflow on leases during the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment of lease liabilities	95.48	38.70
Short-term lease expense	-	-
Total cash outflow on leases	95.48	38.70

E The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis .

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	129.08	71.80
1 to 5 years	649.99	289.92
Over 5 years	739.51	439.09

The Company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

36. Segment reporting

In accordance with Ind AS 108, Operating Segments, segment information has been given in the consolidated financial statements of MedPlus Health Services Limited and therefore no separate disclosure on segment information is given in these standalone financial statements.

37. Capital Commitments

As at March 31, 2023 the Company has commitments of Rs. 22.51 relating to contracts remaining to be executed on capital account. (March 31, 2022: Rs.141.77)

38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the standalone financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	3.61	0.43
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note: This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

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39. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. NovaSud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
5. Kalyani Meditimes Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director
2. C. Bhaskar Reddy – Executive Director (until 5 July 2021)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Parag Jain- Company Secretary (upto January 14, 2022)
6. Shilpi Keswani- Company Secretary (upto March 30, 2023)
7. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

(iii) Directors

1. Murali Sivaraman - Independent Director (from 11 June 2021)
2. Madhavan Ganesan - Independent Director (from 11 June 2021)
3. Hiroo Mirchandani - Independent Director (from 5 July 2021)
4. Anish Kumar Saraf- Non Executive Director
5. Atul Gupta- Non executive Director

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited) (from December 4, 2020)
3. Lone furrow investment private limited

(v) Employee Benefit Plans

1. MedPlus Employees Group Gratuity Assurance Scheme

B Related party transactions during the year ended

(i) Subsidiaries	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Optival Health Solutions Private Limited		
Rental income	6.30	3.30
Lease payments [including GST of Rs. 1.85 (March 31,2022 : GST of Rs.0.94)]	12.48	6.18
Management services rendered	48.06	40.81
Brand fee received	66.76	54.99
Sale of stock-in-trade (net of taxes)	1,664.92	919.42
Sale of goods	53.28	60.53
Purchase of Materials [including GST of Rs. 0.09 (March 31,2022 : GST of Rs. Nil)]	0.56	-
Sale of intangible asset	7.84	15.70
Purchase of Property plant and equipment [including GST of Rs. 2.12 (March 31,2022 : GST of Rs. Nil)]	14.23	-
Software subscription fees received	6.25	4.43
Collection comission expense paid [including GST of Rs. 0.83 (March 31,2022 : GST of Rs. Nil)]	5.47	0.13
Amount collected on behalf of the company	64.03	-
Investment made	4,671.74	-
Deemed investment		
Corporate Guarantee income	1.47	9.29
Share-based payment expense (refer note 34)	201.73	89.55

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B Related party transactions during the year ended (continued)

(i) Subsidiaries (continued)	For the year ended March 31, 2023	For the year ended March 31, 2022
1. MHS Pharmaceuticals Private Limited		
Management services rendered	-	0.08
Lease payments	7.17	8.27
Reimbursement of expenses	0.17	0.81
2. Wynclark Pharmaceuticals Private Limited		
Management services rendered	0.68	0.55
Reimbursement of expenses	0.14	0.01
3. Venkata Krishna Enterprises Private Limited		
Share-based payment expense	1.15	0.45
4. Kalyani Meditimes Private Limited		
Unsecured loan given (refer note 6)	2.00	23.32
Unsecured loan repayment	12.00	-
Interest on unsecured loan	3.77	3.11
Purchase of intangible asset [including GST of Rs. 3.51 (March 31,2022 . GST of Rs. Nil)]	23.01	-
Software license fees	0.02	0.45
Provision for doubtful receivables	56.33	-
5. Clearancekart Private Limited		
Investment in subsidiary (refer note 5)	-	0.10
6. Sidson Pharma Distributors Private Limited		
Share-based payment expense	0.24	0.09
7. MedPlus Insurance Brokers Private Limited		
Investment in subsidiary (refer note 5)	20.00	-
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of intangible asset	-	11.19
Purchase of Property, plant and equipment	25.30	12.90
Purchase of goods	1.40	-
Sale of Property, plant and equipment	-	36.05
Reimbursement of expense	1.93	-
Lease payments	2.70	0.68
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03

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(iii) Key Management Personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
1. G. Madhukar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	4.00	4.00
b. Rent	0.08	0.07
2. C. Bhaskar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	-	1.53
b. Share-based payment expense	-	5.14
3. Hemanth Kundavaram		
a. Remuneration		
- Short-term employee benefits	2.14	9.79
b. Share-based payment expense	-	1.85
4. Parag Jain		
a. Remuneration		
- Short-term employee benefits	-	1.01
5. Shilpi Keswani		
a. Remuneration		
- Short-term employee benefits	1.03	0.21
6. Sujit Kumar Mahato		
a. Remuneration		
- Short-term employee benefits	4.34	-
b. Share-based payment expense	0.04	-
7. Sitting fees paid to directors	4.85	3.85
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Gratuity Assurance Scheme		
Employer contributions	0.03	3.01

C Balances outstanding receivable/(payable)*	As at March 31, 2023	As at March 31, 2022
(i) Subsidiaries		
1. Optival Health Solutions Private Limited		
Trade receivables	375.21	209.70
2. MHS Pharmaceuticals Private Limited		
Purchase consideration payable	(175.99)	(176.08)
Rent payable	(1.36)	
3. Wynclark Pharmaceuticals Private Limited		
Trade receivables	0.10	0.29
4. Kalyani Meditimes Private Limited** (refer note 5)		
Loan receivable (fully provided)	17.82	27.82
Interest receivable (fully provided for)	0.56	1.20
Corporate Guarantee outstanding on behalf of Optival Health Solutions Private Limited	-	1,850.00
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	0.30	(1.93)
(iii) Key Management Personnel		
1. G. Madhukar Reddy		
a. Rent	-	(0.01)
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Gratuity Assurance Scheme		
a. Group gratuity plan asset	3.98	3.82

* Excluding equity shares of the Company, investments and deemed investments. (refer note 5&14)
** Accrued interest of Rs 2.96 (March 31, 2022 : Rs 0.95) are not included

Note:
1. All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Company has recorded impairment of balances relating to amounts owed by related party during the year ended March 31, 2023, provision for bad and doubtful debts will be made on an aggregate basis i.e. not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.
2. Managerial remuneration does not include post employment benefit which is determined for Company as whole

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

40. Fair Values

Refer note 2.2(r.)for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value	
	As at March 31, 2023	As at March 31, 2022
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	376.11	212.88
b) Cash and cash equivalents	357.03	9.38
c) Bank balances other than Cash and cash equivalents	544.60	65.00
d) Loans	-	27.82
e) Others	81.37	6,187.05
Total Financial assets	1,359.11	6,502.13
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	127.89	55.30
b) Lease liabilities	858.04	444.16
c) Others	229.61	204.78
Total Financial Liabilities	1,215.54	704.24

	Fair value	
	As at March 31, 2023	As at March 31, 2022
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	376.11	212.88
b) Cash and cash equivalents	357.03	9.38
c) Bank balances other than Cash and cash equivalents	544.60	65.00
d) Loans	-	27.82
e) Others	81.37	6,187.05
Total Financial assets	1,359.11	6,502.13
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	127.89	55.30
b) Lease liabilities	858.04	444.16
c) Other financial liabilities	229.61	204.78
Total Financial Liabilities	1,215.54	704.24

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

Refer note 2.2f for accounting policy on Fair value.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

There are no transfers between levels 1 and 2 during the year.

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MEDPLUS HEALTH SERVICES LIMITED * HYDERABAD

41. Financial risk management

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and investments. The Company's principal financial assets include investments in subsidiaries, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes. The Company's Financial instruments are not affected by market risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Since the trade receivables are from related parties, no credit risk is observed.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 02.97, 77.34 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2023	2.46	0.51	2.97
As at March 31, 2022	77.00	0.34	77.34

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	0.39	0.04
Change during the year	0.43	0.35
Balance at the end of the year	0.82	0.39

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

41. Financial risk management (continued)

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the period subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:					
Trade payables	-	127.59	0.30	-	127.89
Lease liabilities	-	129.08	649.99	739.51	1,518.58
Other financial liabilities	-	229.61	-	-	229.61
Financial guarantee	-	-	-	-	-
	-	486.28	650.29	739.51	1,876.08

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:					
Trade payables	-	48.75	2.38	-	51.13
Lease liability	-	71.80	289.92	439.09	800.81
Other financial liabilities	-	204.78	-	-	204.78
Financial guarantee	1,850.00	-	-	-	1,850.00
	1,850.00	325.33	292.30	439.09	2,906.72

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings net of cash and cash equivalents	-	-
Equity	238.61	238.60
Other Equity	11,174.17	10,889.21
Total Equity	11,412.78	11,127.81

Debt to equity ratio is zero, since the Company doesn't have borrowings as at March 31,2023 and March 31, 2022.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31,2023

43. Details of CSR expenditure

The Company is not required to spend any amount towards CSR as per the provisions of Sec 135 of the Companies Act, 2013 since the Company has losses in previous years.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

44. The Company does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

45. The Company has granted loans and made investment in some of its subsidiaries. Loans and Investments has been given for general corporate and working capital purpose respectively.None of those borrowings have been utillised for further advancement of loans/investment for the year ended March 31, 2023 and March 31, 2022.

46. Other statutory information

(i) Based on the available information, the Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(v) The Company have not advanced or loaned or invested funds other than disclosed in note 45 to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

(viii) The Company is not declared as Wilful Defaulter by any Bank or Financial Institution or other lender.

(ix) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(x) The company is not part of any group (as per the provisions of Core Investment Companies (Reserve Bank) Directions, 2016 as amended).

47. Initial Public Offer and Utilization of Proceeds

The Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of face value of Rs. 2 each during the year ended March 31, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Company for an amount of Rs. 6,000 and an offer for sale of 10,028,831 equity shares by certain shareholders for an amount of Rs. 7,982.95. Further, an amount of Rs. 536.83 has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer size, with the Company' share of expenses aggregating to Rs. Rs. 217.27 being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the holding Company (Net of IPO related expense) is summarized below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31, 2023	Unutilised amount as on March 31, 2023*
i) Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	4,671.70	-
ii) General Corporate Purposes	1,111.03	326.43	784.60
Total	5,782.73	4,998.13	784.60

* Out of the aforesaid unutilised proceeds, amount of Rs. 784.60 have been placed as fixed deposits with bank .

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

48 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current assets	1,505.84	6,573.39
Current Liabilities	480.14	322.75
Ratio	3.14	20.37
% Change from previous year	-85%	

Reason for change more than 25%
The ratio has decreased from 20.37 in March 2022 to 3.14 in March 2023 mainly due to decrease in the other bank balances which was invested in subsidiary Company during the year ended March 31, 2023.

b) Debt Equity ratio = Total debt divided by Total shareholders equity where total debt refers to sum of current and non current borrowings	This ratio has not been computed as there are no borrowings on reporting dates

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments	This ratio has not been computed as there are no borrowings on reporting dates

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by average Equity

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax	55.44	55.79
Average Equity	11,270.30	8,151.31
Ratio	0.00	0.01
% Change from previous year	-28%	

Reason for change more than 25%
The ratio has decreased from 0.01 in March 2022 to 0.00 in March 2023 mainly due fund receeived from IPO and the same has been invested in subsidiary Company.

e) Inventory Turnover Ratio = Cost of materials consumed divided by average inventory

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed	257.77	193.56
Average inventory	52.94	43.43
Inventory Turnover Ratio	4.87	4.46
% Change from previous year	9%	

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48 Ratios as per the Schedule III requirements (continued)

f) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales	2,139.26	1,457.14
Average trade receivables	295.10	164.19
Ratio	7.25	8.87
% Change from previous year	-18%	

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Credit Purchases	1,596.60	1,176.83
Average trade payables	91.60	39.47
Ratio	17.43	29.82
% Change from previous year	-42%	

Reason for change more than 25%
The ratio has decreased from 29.82 in March 2022 to 17.43 in March 2023 mainly due increase in the purchase of private label products.

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital = current assets - current liabilities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	2,139.26	1,457.14
Net working capital (Current assets - Current liabilities)	1,025.70	6,250.64
Ratio	2.09	0.23
% Change from previous year	809%	

Reason for change more than 25%
The ratio has increased from 0.23 in March 2022 to 2.09 in March 2023 mainly due to investment of money received through IPO into the wholly owned subsidiary and also increase in sales is due to increase in volume of private label products.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit /(loss) after tax	55.44	55.79
Sales	2,139.26	1,457.14
Ratio	0.03	0.04
% Change from previous year	25%	

Reason for change more than 25%
The ratio has decreased from 0.04 in March 2022 to 0.03 in March 2023 mainly due to decrease in net profit after tax.

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax (A)	55.44	55.79
Finance Costs (B)	65.45	26.31
Tax expenses (C)	20.42	-
EBIT (D) = (A)+(B)+(C)	141.31	82.10
Total Equity (E)	11,412.78	11,127.81
Other Intangible assets (F)	34.14	28.24
Intangible assets under development (G)	-	-
Tangible Net worth (H)=(E)-(F)-(G)	11,378.64	11,099.57
Total Debt (I)	-	-
Deferred Tax asset (J)	-	-
Capital Employed (K)=(H)+(I)-(J)	11,378.64	11,099.57
Ratio (D)/(K)	0.01	0.01
% Change from previous year	68%	

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Reason for change more than 25%

The ratio has increased from 0.007 in March 2022 to 0.012 in March 2023 mainly due to increase in Earnings before interest and taxes (EBIT).

k) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax	55.44	55.79
Average equity	11,270.30	8,151.31
Ratio (percentage)	0%	1%
% Change from previous year	28%	

Average equity means Average of Equity as on beginning and end of the year

Reason for change more than 25%

The ratio has decreased from 1% in March 2022 to 0% in March 2023 mainly due to increase in average equity by holding company.

49. The Board of Directors of the Company, at their meeting held on 10 January 2023, have approved a Scheme of amalgamation (Scheme) between the Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, with an appointed date of 1 April 2023. The management is in the process of filing the Scheme with the National Company Law Tribunal and other regulators for their approval.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as Medplus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City, Orwell, B Wing,
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Independent Auditor's Report

To the Members of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiaries as were audited by the other auditor the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Opinion section, we have determined matters described below to be the key

audit matters to be communicated in our report.

Timing of Recognition of Revenue:	
See Note 2.2 (h) and Note 27 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
Revenue from the sale of goods is recognised when the control of the products being sold is transferred to the customer. A significant part of Group's revenue relates to retail sales through a large number of company leased outlets and comprises high volume of individually small transactions made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately. Revenue is a key performance indicator for the Group. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed. In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We assessed the appropriateness of the Group's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. We evaluated the design and implementation of the key internal financial controls with respect to the revenue recognition and tested the operating effectiveness of such controls including those related to the reconciliation of sales records to cash /card /online/ wallet receipts. We tested the reconciliation of revenue generated through cash/ card/ online/ wallet receipts and the amount deposited with banks. We performed substantive testing by selecting samples using statistical sampling of revenue transactions recorded during the year by verifying the underlying documents. We tested the periodic reconciliation of the retail sales recognised during the period with the statutory filings (goods and service tax returns). On a sample basis, performed cash counts, at selected stores and examined if the cash balances are in agreement with the books. We examined on a sample basis manual journal entries affecting revenue recognised during the year selected based on specific risk-based criteria to identify unusual or irregular items. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. We tested, on a sample basis, specific revenue transactions recorded around the year end date to determine whether the revenue has been recognised

	in the appropriate financial period by testing the underlying documents. We assessed adequacy of disclosures in respect of revenue in the consolidated financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's Responsibilities Relating to Other Information.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter(s)

a. We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 2,036.98 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 14,956.96 million and net cash inflows (before consolidation adjustments) amounting to Rs. 22.24 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiaries, as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those, except that the back-up of key Microsoft Excel Spreadsheets related to financial reporting and Payroll Software which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company between 1 April 2023 to 26 April 2023 taken on record by the Board of Directors of the Holding

Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statement of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 37 and Note 41 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

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

Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad

Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)	U85110TG2006PLC051845	Holding Company	Clause (i)(c); Clause (iii)(c), Clause (vii)(b)
2.	Optival Health Solutions Private Limited	U85110TG2005PTC046821	Subsidiary Company	Clause (i)(a); Clause (vii)(b)
3.	Clearancekart Private Limited	U52100TG2021PTC149432	Subsidiary Company	Clause (xvii); Clause (xix)
4.	Deccan Medisales Private Limited	U51397KA2011PTC059204	Subsidiary Company	Clause (vii)(b)
5.	Kalyani Meditimes Private Limited	U74999TN2016PTC111701	Subsidiary Company	Clause (xvii), Clause (xix); Clause (ix) (a)
6.	Sai Sridhar Pharma Private Limited	U24232TG2007PTC055902	Subsidiary Company	Clause (xiv)
7.	Nova Sud Pharmaceuticals Private Limited	U24232TG2007PTC055895	Subsidiary Company	Clause (vii)(a)
8.	Shri Banashankari	U74900KA2014PTC074302	Subsidiary Company	Clause (xvii)

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023 *(Continued)*

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
	Pharma Private Limited			
9.	Venkata Krishna Enterprises Private Limited	U51909TG2010PTC071012	Subsidiary Company	Clause (xiv)
10.	MedPlus Insurance Brokers Private Limited	U67100TG2022PTC164765	Subsidiary Company	Clause (xvii)

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023 *(Continued)*

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter(s)

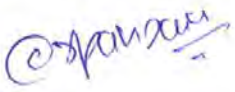
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to eleven subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

For **B S R & Associates LLP**

Chartered Accountants

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



Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad

Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023 ***(Continued)***



MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Balance sheet as at March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	2,883.35	1,618.69
Capital work-in-progress	5	239.09	204.47
Goodwill	6	414.51	414.51
Other intangible assets	6	59.76	62.53
Intangible assets under development	6.a	15.62	-
Right-of-use assets	7	8,021.99	5,891.57
Financial assets			
Trade receivables	14	-	-
Loans	8	-	-
Other financial assets	9	699.67	691.60
Deferred tax assets (net)	37	658.12	449.45
Non-current tax assets (net)	10	113.78	146.70
Other non-current assets	11	54.08	143.87
		13,159.97	9,623.39
Current Assets			
Inventories	12	11,440.87	9,149.84
Current investments	13	0.33	0.33
Financial assets			
Trade receivables	14	86.51	60.36
Cash and cash equivalents	15	2,283.75	214.55
Bank balances other than cash and cash equivalents	16	554.60	129.50
Other financial assets	9	122.66	6,551.14
Current tax assets	10	1.50	0.62
Other current assets	11	316.99	210.75
		14,807.21	16,317.09
Total Assets		27,967.18	25,940.48
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	238.61	238.60
Other equity	18	14,673.17	13,939.12
Total equity attributable to the owners of the Company		14,911.78	14,177.72
Non-controlling interest		(6.77)	(5.19)
Total Equity		14,905.01	14,172.53
Liabilities			
Non-current Liabilities			
Financial liabilities			
Lease liabilities	21	8,011.80	5,964.91
Other financial liabilities	20	7.08	9.07
Provisions	22	277.46	203.85
		8,296.34	6,177.83
Current Liabilities			
Financial liabilities			
Borrowings	19	-	1,426.82
Lease liabilities	21	987.44	757.62
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		126.35	14.13
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,475.09	2,448.19
Other financial liabilities	20	667.50	523.64
Other current liabilities	24	145.11	120.92
Provisions	22	260.64	216.88
Contract liabilities	25	93.41	80.77
Current tax liabilities (net)	28	10.29	1.15
		4,765.83	5,590.12
Total Liabilities		13,062.17	11,767.95
Total Equity and Liabilities		27,967.18	25,940.48
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hydarabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	27	45,575.76	37,792.79
Other income	28	460.78	313.63
Total income (I)		**46,036.54**	**38,106.42**
Expenses			
Purchases of stock-in-trade		37,529.32	31,223.73
Cost of materials consumed	29	258.80	194.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(2,211.24)	(1,594.38)
Employee benefits expense	31	5,451.29	3,939.20
Finance costs	33	830.27	664.28
Depreciation and amortisation expense	32	1,815.56	1,193.60
Other expenses	34	1,890.91	1,306.16
Total expenses (II)		**45,564.91**	**36,926.99**
Profit before tax (III) = (I)-(II)		**471.63**	**1,179.43**
Tax expenses	37		
- Current tax **(IV)**		180.53	301.24
- Deferred tax benefit **(V)**		(209.95)	(68.97)
Total tax (benefit) / expenses (VI) = (IV)+(V)		(29.42)	232.27
Profit for the year (VII) = (III)-(VI)		**501.05**	**947.16**
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement gain on employee defined benefit plans **(VIII)**		4.61	23.86
Income tax effect on the above **(IX)**	38A.	(1.27)	(5.58)
Other comprehensive income for the year (X) = (VIII)+(IX)		**3.34**	**18.28**
Total comprehensive income for the year (XI) = (VII)+(X)		**504.39**	**965.44**
Profit for the year attributable to:			
Equity Holders of the Parent Company		497.63	958.02
Non-controlling interest		3.42	(10.86)
		501.05	**947.16**
Total comprehensive income attributable to:			
Equity Holders of the Parent Company		500.97	976.12
Non-controlling interest		3.42	(10.68)
		504.39	**965.44**
Earnings per equity share (EPES) (In absolute Rs. terms)	36		
Basic		4.17	8.55
Diluted		4.17	8.52
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. Equity Share Capital:

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.60	-	238.60	0.01	238.61

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
4.48	-	4.48	234.12	238.60

* refer note 17.

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

B. Other Equity

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Other Components of equity					Total other equity	Attributable to Non controlling Interest	Total
		Reserves and surplus							
		Securities premium	Share based payments reserve	General reserve	Capital reserve	Retained earnings			
As at April 1, 2021	**3,708.06**	**2,415.25**	**486.55**	**28.64**	**0.92**	**661.64**	**7,301.06**	**5.49**	**7,306.55**
Employee stock option compensation expenses for the year	-		107.37	-	-	-	107.37	-	107.37
Utilisation for bonus issue of shares during the year	-	-	-	-	-	-	-	-	-
- 0.001% Series A compulsorily convertible preference shares ('CCPS')	(56.72)	28.36	-	-	-	-	(28.36)	-	(28.36)
- 0.001% Series B compulsorily convertible preference shares ('CCPS')	(239.03)	119.52	-	-	-	-	(119.51)	-	(119.51)
- 0.001% Series B1 compulsorily convertible preference shares ('CCPS')	(61.07)	30.54	-	-	-	-	(30.53)	-	(30.53)
- 0.001% Series B2 compulsorily convertible preference shares ('CCPS')	(66.62)	33.63	-	-	-	-	(32.99)	-	(32.99)
- 0.001% Series C1 compulsorily convertible preference shares ('CCPS')	(11.22)	5.61	-	-	-	-	(5.61)	-	(5.61)
- 0.001% Series C2 compulsorily convertible preference shares ('CCPS')	(3.20)	1.28	-	-	-	-	(1.92)	-	(1.92)
Less: Transfer of Series A CCPS securities premium in to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-	-
Issue of 0.001% Series C1 compulsorily convertible preference shares ('CCPS')	(751.12)	751.12	-	-	-	-	-	-	-
Issue of 0.001% Series C2 compulsorily convertible preference shares ('CCPS')	(214.46)	214.46	-	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-	-
Amount recovered from ESOP trust	-	5.86	-	-	-	-	5.86	-	5.86
Add: Issue of new shares through IPO	-	5,984.91	-	-	-	-	5,984.91	-	5,984.91
Stock option lapsed	-	-	(3.42)	3.42	-	-	-	-	-
Less: Share issue expenses	-	(217.27)	-	-	-	-	(217.27)	-	(217.27)
Profit/ (loss) for the year	-	-	-	-	-	958.02	958.02	(10.86)	947.16
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	18.10	18.10	0.18	18.28
As at March 31, 2022	**-**	**11,831.48**	**113.94**	**355.03**	**0.92**	**1,637.76**	**13,939.13**	**(5.19)**	**13,933.93**
Employee stock option compensation expenses for the year	-	-	221.19	-	-	-	221.19	-	221.19
Transfer on account of exercise of share options	-	30.78	(30.78)	-	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	-	-	-	-	-	-	-	-
Amount recovered from ESOP trust	-	1.19	-	-	-	-	1.19	-	1.19
Proceeds from equity shares under ESOP's	-	10.69	-	-	-	-	10.69	-	10.69
Acquisition of minority interest of subsidiary during the year	-	-	-	-	-	-	-	(5.00)	(5.00)
Profit/ (loss) for the year	-	-	-	-	-	497.63	497.63	3.42	501.05
Actuarial gain on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	3.34	3.34	-	3.34
As at March 31, 2023	**-**	**11,874.14**	**304.35**	**355.03**	**0.92**	**2,138.73**	**14,673.17**	**(6.77)**	**14,666.40**

B S R & Associates LLP • CHARTERED ACCOUNTANTS •

MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Note:

Equity component of compound financial instruments includes the following:	**As at March 31, 2023**	**As at March 31, 2022**
(i) Par value of the instruments issued:		
0.001% Series A compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	-	-
0.001% Series B1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS into equity shares	-	(61.07)
At the end of the year	-	-
0.001% Series B2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS into equity shares	-	(66.62)
At the end of the year	-	-
0.001% Series C1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	-	-
0.001% Series C2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Transfer to General reserve	-	(322.97)
	-	-
Amount included in 'Equity component of compound financial instruments' above	-	-

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
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G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	471.63	1,179.43
Adjustments for:		
Depreciation of property, plant and equipment	450.60	240.10
Amortisation of intangible assets	17.11	11.24
Depreciation of right-of-use assets	1,352.64	942.26
Provision for gratuity and leave benefits	162.56	116.96
Provision for doubtful debts, deposits and advances	11.76	7.03
Finance costs	9.16	52.65
Interest on lease liabilities	821.11	611.63
Loss on sale/ discard of property, plant and equipment	3.54	1.82
Advances/debts written off	1.08	0.26
Interest income	(277.88)	(137.32)
Employees stock option compensation expenses	221.19	107.37
Gain on de-recognition of right-of-use assets	(42.00)	(38.18)
Liabilities no longer required written back	(3.23)	(37.00)
Operating profit before working capital changes	**3,199.27**	**3,058.25**
Change in assets and liabilities		
Increase in inventories	(2,291.03)	(1,650.27)
Increase in non-current financial assets	(201.34)	(214.63)
Decrease / (Increase) in current financial assets	162.52	(172.84)
Increase in other assets	(100.43)	(61.93)
Increase in current financial liabilities	278.21	1,116.52
Increase in other current liabilities	36.83	9.84
Decrease in provisions	(40.58)	(50.42)
Cash generated from operations	**1,043.45**	**2,034.52**
Income tax paid, net	(139.35)	(335.63)
Net cash generated from operating activities (A)	**904.10**	**1,698.89**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(1,690.05)	(1,177.21)
Proceeds from sale of property, plant and equipment	1.60	35.22
Investments made	-	-
(Investments) / Redemptions of bank deposit with original maturity of more than 3 months, net	5,769.75	(5,938.01)
Interest received	213.11	48.74
Net cash generated from/ (used in) investing activities (B)	**4,294.41**	**(7,031.26)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	5,936.36
Share issue expenses	-	(217.27)
Proceeds from exercise of stock options	11.89	5.86
Proceeds from issue of compulsorily convertible preference shares	-	-
Interest on Lease Liabilities	(821.11)	(611.63)
Principal payment of lease liabilities	(884.11)	(656.38)
Interest paid	(9.16)	(52.65)
Net cash (used in) / generated from financing activities (C)	**(1,702.49)**	**4,404.29**

BSR & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,496.02	(928.08)
Cash and cash equivalents at the beginning of the year	(1,212.27)	(284.19)
Cash and cash equivalents at the end of the year	**2,283.75**	**(1,212.27)**
Components of cash and cash equivalents		
Cash on hand	90.07	72.79
Bank deposits with original maturity of less than three months	1,856.36	9.10
Balance with banks in current accounts	337.32	132.66
Total cash and cash equivalents	**2,283.75**	**214.55**
Less: Cash credit from bank	-	(1,426.82)
Cash and cash equivalents for Cash flow statement	**2,283.75**	**(1,212.27)**

Summary of significant accounting policies 2.2

Note:
a. Movement disclosure under Ind AS 7 with respect to borrowings are not applicable as the Company does not have any long term borrowings.
b. Refer note 40 for change in lease liabilities araising from financing activities

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

1. **Corporate information**

MedPlus Health Services Limited (the 'Parent Company' or the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Parent Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Parent Company together with its subsidiaries (collectively termed as "the Group") are primarily engaged in retail trading of medicines and general items, wholesale cash and carry and pathological laboratory testing services, wholesale trading and manufacturing of pharmaceutical products, fast-moving consumer goods and beauty products. The Company was duly converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28 June 2021 and accordingly the corporate identification number (CIN) was changed from U85110TG2006PTC051845 to L85110TG2006PLC051845.
The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2023.

2. **Significant accounting policies**

2.1 **a. Basis of preparation of consolidated financial statements**

The Consolidated financial statements of the Group have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period,
(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.
(iii) Share-Based payments are measured at fair value

b. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees ("INR"), which is also the functional currency of the Group and all values are rounded to the nearest millions (Rs. 000,000), unless otherwise indicated. The amount reflected as "0.00" in financials are value with less than ten thousand.

The Consolidated Financial Statements as at and for the year ended on March 31, 2023 include the financial statements of the following entities:

S.No	Name of the subsidiary company	Country of incorporation	Percentage of Ownership as at March 31, 2023	Percentage of Ownership as at March 31, 2022
1	Optival Health Solutions Private Limited ('OHSPL')	India	99.99%	99.99%
2	Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited) ('WPPL')	India	100%	100%
3	MHS Pharmaceuticals Private Limited ('MHS')	India	100%	100%
4	Nova Sud Pharmaceuticals Private Limited (formerly known as PanIndia Pharma Distributors Private Limited) ('NPPL')	India	100%	100%
5	Sai Sridhar Pharma Private Limited ('SSPPL')	India	100%	100%
6	Venkata Krishna Enterprises Private Limited ('VKEPL')	India	100%	100%
7	Deccan Medisales Private Limited ('DMPL')	India	100%	100%
8	Shri Banashankari Pharma Private Limited ('SBPPL')	India	100%	100%
9	Sidson Pharma Distributors Private Limited ('SPDPL')	India	100%	100%
10	Kalyani Meditimes Private Limited ('KMT')	India	89.11%	65.53%
11	ClearanceKart Private Limited**	India	100.00%	100.00%
12	Medplus Insurance Brokers Private Limited*	India	100.00%	0.00%

*The Company subscribed to 2,00,000 shares of Rs. 10 each of MedPlus Insurance Brokers Private Limited, which was incorporated on 14 July 2022 under the Companies Act, 2013. The transfer of shares and consideration happened during the Financial year 2022-23.

**The Company subscribed to 10,000 shares of Rs. 10 each of ClearanceKart Private Limited, which was incorporated on 09 March 2021 under the Companies Act, 2013. The transfer of shares and consideration happened during the Financial year 2021-22.

2.2 **Summary of significant accounting policies**

a. **Statement of compliance**

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. **Basis of consolidation**

Subsidiaries are all entities (including special purpose entities) that are controlled by the Group. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Recent accounting pronouncements:
Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes
The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract (2022)
The amendment specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract' Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework (2022)
The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use (2022)
The amendment mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c. **Significant accounting, estimates and assumptions**
The preparation of these consolidated financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the consolidated financial statements.
Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the consolidated financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the consolidated financial statements. Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are:

Impairment of trade receivables
The Group has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets
The Group reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities
Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans
The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities
The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases
The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.
The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.
The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Inventories
The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

d. **Operating segments**
Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.

e. **Current and non current classification**
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f. **Foreign currencies**
Initial recognition
Transactions in foreign currencies are translated into functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion
Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences
Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

g. **Fair Value Measurement**
In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h. **Revenue recognition**
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
The specific recognition criteria described below must also be met before revenue is recognised.

h. **Revenue recognition (Continued)**

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales returns

The Group accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience of sales returns.

At the time of recognising the refund liability, the Group also recognises an asset, (i.e., the right to the returned goods) which is included in inventory for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Customer Loyalty Programme

Group operates a Flexi Rewards scheme (Customer loyalty programme), which allows customers to accumulate points when they purchase products in the Group's retail stores. These points can be redeemed for purchase of value plus items.

The consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

Display income

Revenue for display of advertisement is accounted on accrual basis in accordance with the provisions of the relevant contacts.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Group recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Group measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price.
The amount collected on sale of discount coupon is recognised as liability and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired.
Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

i. **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.
If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

j. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.
Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the consolidated statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule II
Buildings	60	60
Furniture and fixtures - Plastic Boxes	2	2
Furniture and fixtures - Others	10	10
Vehicles	8-10	8-10
Data Processing Equipment	3-6	3-6
Plant and equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Group represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which approximates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

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m. Leases

Group as lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease terms.

Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116.

n. Inventories

Inventories comprise of stock-in-trade and stores and consumables and are valued at lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Cost is determined on first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business reduced by the estimated costs to affect the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories. The net realisable value of work-in-progress are determined with reference to the selling prices of related finished goods.

The factors that the Group considers in determining the valuation of inventory includes shelf life and ageing of inventory. The Group considers these factors and adjust valuation to reflect actual value of inventory.

Raw materials and consumables held for use in the production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

Impairment losses, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

o. Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

p. **Provisions and contingent liabilities**

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

q. **Retirement and other employee benefits**

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The Group operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other Short term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

r. **Employee share based payments**

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Group's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees.

The company allocated shares to Trust at the time of formation of trust. The Group treats trust as its extension and these equity instruments are recognised at cost and deducted from equity.

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s. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
i) Debt instruments at amortised cost
ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables , the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

s. **Financial instruments (continued)**

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral Held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:
ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

Compound instruments:

Compound financial instruments issued by the Group comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Group first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequently the liability is measured as per requirement of Ind AS 109.The equity component of a compound financial instrument is not subsequently measured.

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss.
However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

s. Financial Instruments (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management

u. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss attributable to equity holder of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per equity share from the date the contract is entered into.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Government Grants

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises the related costs for which the grants are intended to compensate.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received

w. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

x. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the consolidated statement of profit and loss.

Y. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

z. Share issue expenses

The share issue expenses incurred by the Group on account of new shares issued are netted off from securities premium account The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

3. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

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CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED
HYDERABAD

4 Property, plant and equipment

	Land	Buildings	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Lease hold improvements	Total
Gross carrying amount								
As at April 01, 2021	79.50	1.64	512.19	303.55	366.24	41.67	511.48	1,816.27
Additions	63.80	-	308.88	119.56	281.47	16.50	234.05	1,024.26
Disposals	-	-	(48.18)	(14.73)	(0.59)	(2.48)	(11.18)	(77.16)
As at March 31, 2022	143.30	1.64	772.89	408.38	647.12	55.69	734.35	2,763.37
Additions	7.77	-	705.77	194.94	365.94	14.44	431.55	1,720.41
Disposals	-	-	(16.33)	(16.25)	(0.98)	(3.24)	(8.56)	(45.36)
As at March 31, 2023	151.07	1.64	1,462.33	587.07	1,012.08	66.89	1,157.34	4,438.42
Accumulated Depreciation								
Up to April 01, 2021	-	0.39	245.02	229.88	88.60	19.37	361.34	944.71
Charge for the year	-	0.03	69.50	51.58	49.86	4.72	64.41	240.10
Disposals	-	-	(13.52)	(14.67)	(0.40)	(2.18)	(9.35)	(40.12)
Up to March 31, 2022	-	0.42	301.00	266.79	138.06	21.91	416.40	1,144.69
Charge for the year	-	0.03	137.51	93.34	88.67	6.26	124.79	450.60
Disposals	-	-	(14.53)	(16.25)	(0.78)	(2.67)	(5.99)	(40.22)
Up to March 31, 2023	-	0.45	423.98	343.88	225.95	25.50	535.20	1,555.07
Net carrying amount								
As at March 31, 2022	143.30	1.22	471.90	141.59	509.06	33.78	317.95	1,618.69
As at March 31, 2023	151.07	1.19	1,038.36	243.19	786.13	41.39	622.15	2,883.35

Notes:
1) For details of contractual commitment with respect to property, plant and equipment refer note no. 41(A)).

Title deeds of Immovable Properties not held in name of the Group:

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	5.51	Natco Pharma Limited	No	December 20, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale deed dated December 20, 2020. However, the Group is in the process of registration.

5 Capital work-in-progress (CWIP)

	As at March 31, 2023	As at March 31, 2022
Gross carrying amount		
Opening Balances	204.47	55.35
Additions during the year	1,281.65	685.50
Capitalised during the year*	(1,247.03)	(516.38)
Closing Balance	239.09	204.47

CWIP Aging Schedule

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	227.74	3.17	8.18	-	239.09
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	178.76	13.67	10.73	1.29	204.47
Projects temporarily suspended	-	-	-	-	-

*Includes Rs. 18.62 of employee cost and Rs.10.25 of Depreciation and amortisation expense (refer note 32)
** As at March 31, 2023 Rs. Nil (March 31, 2022: Rs.18.26) is related to development of automation machinery for warehouse activities and the machinery is in the final stage of testing.
Note: The Group does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan and hence capital work-in-progress completion schedule is not applicable.

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

6 Goodwill & Other Intangible Assets

	Software	Goodwill on consolidation	Goodwill
Gross carrying amount			
As at April 1, 2021	78.37	414.51	17.78
Additions	35.56	-	-
Disposals	-	-	-
As at March 31, 2022	113.93	414.51	17.78
Additions	22.17	-	-
Disposals	(11.19)	-	-
As at March 31, 2023	124.91	414.51	17.78
Accumulated Depreciation			
Up to April 1, 2021	40.16	-	17.78
Charge for the year	11.24	-	-
Disposals	-	-	-
Up to March 31, 2022	51.40	-	17.78
Charge for the year	17.11	-	-
Disposals	(3.36)	-	-
Up to March 31, 2023	65.15	-	17.78
Net carrying amount			
As at March 31, 2022	62.53	414.51	-
As at March 31, 2023	59.76	414.51	-

Impairment testing for cash generating unit (CGU) containing goodwill -

The Group has identified each entity as a separate CGU, breakup of entity wise goodwill is mentioned below -

Company's Name	As at March 31, 2023	As at March 31, 2022
Optival Health Solutions Private Limited	387.69	387.69
MHS Pharmaceuticals Private Limited	0.16	0.16
Venkata Krishna Enterprises Private Limited	0.71	0.71
Deccan Medisales Private Limited	3.07	3.07
Shri Banashankari Pharma Private Limited	1.26	1.26
Sidson Pharma Distributors Private Limited	20.55	20.55
Kalyani Meditimes Private Limited	1.07	1.07
Total	414.51	414.51

The Group has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. The recoverable amount has been determined based on a value in use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value. Key assumptions upon which the Group has based its determinations of value-in-use include:

a. Estimated cash flows for five years, based on management's projections
b. A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 5% (previous years: 5%). This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
c. The after tax discount rates used are based on the Company's weighted average cost of capital.
d. The discount rates used for discounting free cash flows and terminal value is 14.00% (previous years: 12.00%) (post-tax discount rate).
e. Annual growth rate considered for 5 years (average) is 25.00% (previous years: 30,40%)

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market premium x Beta for the company). The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts. Accordingly, no impairment charges were recognised during the year ended March 31, 2023 and March 31, 2022.

6.a Intangible assets under development

	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount		
As at April 1, 2022	-	-
Additions during the year	20.55	-
Capitalised during the year*	(4.93)	-
As as March 31, 2023	15.62	-

*Includes Rs.64.08 of employee cost

Note:
The Group does not have any Intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible assets under development completion schedule is not applicable.

Intangible assets under development ageing schedule

As at March 31, 2023

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15.62	-	-	-	15.62
Projects temporarily suspended	-	-	-	-	-

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

7 Right-of-use assets

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (Refer note:40B)	8,021.99	5,891.57
	8,021.99	5,891.57

8 Loans

	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans receivables considered good- secured	-	-
Loans receivables considered good- unsecured	-	-
Loans receivables which have significant increase in credit risk	-	-
Loans receivables- credit impaired		
Loans to others (refer note below)	26.00	26.00
Less: Loss allowance	(26.00)	(26.00)
	-	-

Note - The loan is due for repayment from the party but not yet repaid. The Group has filed legal proceedings against the party and hence provision has been made by the Group.

There are no loans given to directors or other officers of the Group either severally or jointly with any other person or loans given to firms or private companies respectively in which any director is a partner, a director or a member.

9 Other financial assets

		As at March 31, 2023	As at March 31, 2022
a. Non-current			
Unsecured, considered good			
Security deposits		698.15	691.39
Bank Deposits with remaining maturity for more than 12 months (refer note 1 below)		0.03	0.21
Trade deposits		1.49	-
	(A)	699.67	691.60
Unsecured, considered doubtful			
Security deposits		10.95	14.47
Advance to employees		0.80	0.80
		11.75	15.27
Less: Provision for doubtful advances and deposits		(11.75)	(15.27)
	(B)	-	-
Total non-current	(A+B)	699.67	691.60
b. Current			
Unsecured, considered good			
Discount receivable from vendors		31.12	65.81
Bank deposits with remaining maturity of less than 12 months		36.49	6,231.34
Advance to employees		4.13	4.67
Interest accrued on bank deposits		11.59	47.04
Deposit with others (refer note 2 below)		30.00	30.00
Other receivables		0.22	-
Interest accrued on others		0.17	-
Share issue expenses receivable (refer note 3 below)		8.94	172.28
Total current		122.66	6,551.14

Notes:

1) Deposits are pledged with Tax authorities.
2) Deposits made with Bombay Stock Exchange Limited ('BSE') for the purpose of IPO.
3) The Group has spent/ accrued INR 536.83 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and Group in proportion of their shares. The share issue expenses incurred by the Group on behalf of selling shareholders are considered to be recoverable from selling shareholders/ IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

10 Tax assets

	As at March 31, 2023	As at March 31, 2022
a. Non-current		
Advance Tax (Net of provision Rs. 335.83 (March 31, 2022: Rs. 745.57))	113.78	146.70
	113.78	146.70
b. Current		
Advance tax	1.50	0.62
	1.50	0.62

(All amounts in Indian Rupees in millions except for share data or otherwise stated)

11 Other assets		As at March 31, 2023	As at March 31, 2022
a. Non-current			
Unsecured, considered good			
Capital advances		35.18	119.16
Balances with government authorities		13.76	18.86
Other advances		5.14	5.85
	(A)	54.08	143.87
Unsecured, considered doubtful			
Other advances		3.51	-
Balances with government authorities		1.22	1.22
		4.73	1.22
Less: Provision for doubtful receivables		(4.73)	(1.22)
	(B)	-	-
Total non-current	(A+B)	54.08	143.87
b. Current			
Unsecured, considered good			
Advance to vendors		214.34	102.31
Balances with government authorities		42.89	76.21
Grant receivable		7.60	11.60
Prepaid expenses		52.16	20.63
		316.99	210.75
Doubtful			
Unsecured, considered Doubtful			
Balances with government authorities		1.01	1.11
		1.01	1.11
Provision for doubtful receivables		(1.01)	(1.11)
		-	-
Total current		316.99	210.75

12 Inventories	As at March 31, 2023	As at March 31, 2022
(Values at lower of cost and net realisable value)		
Raw materials	57.04	27.11
Packing material	0.05	6.07
Work-in-progress	7.44	2.61
Finished goods	22.60	20.26
Stock-in-trade including goods in transit of Rs.288.66 (March 31, 2022 Rs. 183.77)	11,175.14	8,971.07
Stores and spares	178.60	122.72
	11,440.87	9,149.84

During the year ended March 31, 2023, the Group recorded inventory write-down to net realisable value of Rs.202.09 (March 31, 2022: Rs 165.05) in the consolidated statement of profit and loss.
As on March 31, 2023 the Inventories includes contract asset of Rs 22.26 (March 31, 2022: Rs. 20.95) representing the right to the returned goods.

The inventories of stock-in-trade are subject to a pari passu charge to banks to obtain the cash credit facility (refer Note: 19(b))

13 Current investments	As at March 31, 2023	As at March 31, 2022
Investment in gold and silver	0.33	0.33
	0.33	0.33

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

14 Trade receivables

	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Trade receivables - credit impaired	0.82	0.81
	0.82	0.81
Less: Impairment Allowance	(0.82)	(0.81)
Total	-	-
b. Current		
Receivable from other than related parties		
Trade receivables considered good - unsecured	86.51	60.36
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	5.63	6.88
	92.14	**67.24**
Less: Impairment Allowance	(5.63)	(6.88)
Total	86.51	60.36

There are no trade or other receivables due from directors or other officers of the group either severally or jointly with any other person or dues from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	46.15	19.43	1.26	-	-	-	66.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.22	3.07	0.28	0.04	0.84	6.45
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**46.15**	**21.65**	**4.33**	**0.28**	**0.04**	**0.84**	**73.29**
Less: Allowance for doubtful trade receivables - Billed							(6.45)
							66.84
Trade receivables - Unbilled							19.67
							86.51

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	43.34	10.91	5.22	0.69	0.10	0.10	60.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.36	1.14	1.17	1.08	3.94	7.69
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	**43.34**	**11.27**	**6.36**	**1.86**	**1.18**	**4.04**	**68.05**
Less: Allowance for doubtful trade receivables - Billed							(7.69)
							60.36

15 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- On current accounts	337.32	132.66
- Bank deposits with original maturity of less than three months	1,856.36	9.10
Cash on hand	90.07	72.79
	2,283.75	214.55

16 Bank balances other than above

	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity more than 3 months and less than 12 months *	554.60	129.50
	554.60	129.50

*Deposits are charged to Banks for obtaining cash credit facility till may 2022 (Refer Note: 18(b))
Note: Interest accrued on fixed deposits is disclosed in note no 9b

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

17. Share capital	As at March 31, 2023	As at March 31, 2022
Equity shares		
Authorised share capital		
(i) Equity shares of Rs.2/- each (March 31, 2022: Rs. 2/- each)		
As at beginning of the year (270,883,000 (March 31, 2022: 4,655,000) equity shares)	541.77	4.65
Cancellation of Nil (March 31, 2022: 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each)	-	439.00
Increase during the year (Nil (March 31, 2022: 49,058,000) equity shares)	-	98.12
As at end of the year (270,883,000 (March 31, 2022: 270,883,000 equity shares of Rs. 2/- each) equity shares of Rs.2 /- each)	541.77	541.77
*On July 23, 2021 the equity shares of the Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 465,000 equity shares of face value of Rs.10 each were subdivided into 2,325,000 equity shares of face value of Rs. 2 each.		
(ii) Preference shares of Rs.20/- each		
As at beginning of the year Nil Preference shares (March 31, 2022: 21,950,000) of Rs.10/- each preference shares	-	439.00
Cancellation of 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each	-	(439.00)
As at end of the year (Nil (March 31, 2022: Nil) preference shares)	-	-
Total Authorised share capital	541.77	541.77
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
119,305,676 equity shares of Rs.2/- each	238.61	238.61
Less: amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 10,420 (March 31, 2022: 419,841 equity shares of Rs.10/- each) equity shares of Rs. 2/- each, allotted to Medplus Employees Benefit Trust (refer note 39)	-	(0.01)
Total issued, subscribed and fully paid up equity share capital	238.61	238.60
(ii) Compulsorily Convertible Preference Shares ('CCPS')		
Series A		
0.001% Series A CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 2,836,421)	-	56.72
Less: CCPS included under equity component of compound financial instrument	-	(56.72)
	-	-
Series B		
0.001% Series B CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 11,951,680)	-	239.03
Less: CCPS included under equity component of compound financial instrument	-	(239.03)
	-	-
Series B1		
0.001% Series B1 CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 3,053,560)	-	61.07
Less: CCPS included under equity component of compound financial instrument	-	(61.07)
	-	-
Series B2		
0.001% Series B2 CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 3,331,120)	-	66.62
Less: CCPS included under equity component of compound financial instrument	-	(66.62)
	-	-
Series C1		
0.001% Series C1 CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 560,896)	-	11.22
Less: CCPS included under equity component of compound financial instrument	-	(11.22)
	-	-
Series C2		
0.001% Series C2 CCPS of Rs.20/- each March 31, 2023: Nil (Merch.31, 2022: 160,147)	-	3.20
Less: CCPS included under equity component of compound financial instrument	-	(3.20)
	-	-
Total issued, subscribed and fully paid up share capital	238.61	238.60

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

I) Equity shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	11,93,05,676	238.61	4,58,409	4.58
Add:				
Increase in shares on account of subdivision *	-	-	18,33,636	-
Conversion of Series A CCPS in to equity shares	-	-	1,41,82,105	28.36
Conversion of Series B CCPS in to equity shares	-	-	5,97,58,400	119.52
Conversion of Series B1 CCPS in to equity shares	-	-	1,52,67,800	30.54
Conversion of Series B2 CCPS in to equity shares	-	-	1,66,16,850	33.63
Conversion of Series C1 CCPS in to equity shares	-	-	28,04,480	5.61
Conversion of Series C2 CCPS in to equity shares	-	-	6,39,485	1.28
Increase in shares pursuant to IPO**	-	-	75,44,511	15.09
Bonus Shares issued during the year (refer Note 17(g))	-	-	-	-
Outstanding at the end of the year	11,93,05,676	238.61	11,93,05,676	238.61
Less : Recoverable from ESOP trust (refer to note 39)	-	-	(4,19,841)	(0.01)
Net outstanding at the end of the year	**11,93,05,676**	**238.61**	**11,88,85,835**	**238.60**

* On July 23, 2021 the equity shares of the Parent Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 458,409 equity shares of face value of Rs.10 each were subdivided into 2,292,045 equity shares of face value of Rs.2 each.

** The Parant Company has completed its Initial Public Offer ('IPO') and listed its equity shares on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on December 23, 2021.The Parent Company has made fresh issue of 7,544,511 equity shares.(refer note 54).

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

ii) 0.001% Series A compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	28,36,421	56.72
Conversion of Nil (March 31, 2022: 2,836,421), 0.001% Series A CCPS into Nil (March 31, 2022: 14,182,105) equity shares of Rs.2 each	-	-	(28,36,421)	(56.72)
Outstanding at the end of the year	-	-	-	-

iii) 0.001% Series B compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,19,51,680	239.03
Conversion of Nil (March 31, 2022: 11,951,680), 0.001% Series B CCPS into Nil (March 31, 2022: 59,758,400) equity shares of Rs.2 each	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	-	-	-	-

iv) 0.001% Series B1 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	30,53,560	61.07
Conversion of Nil (March 31, 2022: 3,053,560), 0.001% Series B1 CCPS into Nil (March 31, 2022: 15,267,800) equity shares of Rs.2 each	-	-	(30,53,560)	(61.07)
Outstanding at the end of the year	-	-	-	-

v) 0.001% Series B2 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	33,31,120	66.62
Conversion of Nil (March 31, 2022: 1,654,702), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,273,510) equity shares of Rs.2 each	-	-	(16,54,702)	(33.09)
Conversion of Nil (March 31, 2022: 1,676,418), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,543,340) equity shares of Rs.2 each	-	-	(16,76,418)	(33.53)
Outstanding at the end of the year	-	-	-	-

vi) 0.001% Series C1 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	5,60,896	11.22
Conversion of Nil (March 31, 2022: 560,896), 0.001% Series C1 CCPS into Nil (March 31, 2022: 2,804,480) equity shares of Rs.2 each	-	-	(5,60,896)	(11.22)
Outstanding at the end of the year	-	-	-	-

vii) 0.001% Series C2 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,60,147	3.20
Conversion of Nil (March 31, 2022: 160,147), 0.001% Series C2 CCPS into Nil (March 31, 2022: 639,485) equity shares of Rs.2 each	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	-	-	-	-

(b)Terms/ rights attached to equity shares

(i) Equity shares
The Group has only one class of equity shares having par value of Rs.2 per share (March 31, 2022- Rs. 2 per share). Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 0.001% Series A compulsorily convertible preference shares
The Group has issued 0.001% Series A compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shereholders to be repaid to the extent of capital paid-up and dividend in arrears on such sheres.

iii) 0.001% Series B compulsorily convertible preference shares
The Group has issued 0.001% Series B compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

iv) 0.001% Series B1 compulsorily convertible preference shares
The Group has issued 0.001% Series B1 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

v) 0.001% Series B2 compulsorily convertible preference shares
The Group has issued 0.001% Series B2 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

vi) 0.001% Series C1 compulsorily convertible preference shares
The Group has issued 0.001% Series C1 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

vii) 0.001% Series C2 compulsorily convertible preference shares
The Group has issued 0.001% Series C2 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

c) Terms of conversion of preference shares

i) 0.001% Series A compulsorily convertible preference shares
0.001% Series A Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS , not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B compulsorily convertible preference shares
0.001% Series B Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

iii) 0.001% Series B1 compulsorily convertible preference shares
0.001% Series B1 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

iv) 0.001% Series B2 compulsorily convertible preference shares
0.001% Series B2 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

v) 0.001% Series C1 compulsorily convertible preference shares
0.001% Series C1 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. exercise of option by the CCPS shereholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 compulsorily convertible preference shares

0.001% Series C2 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

(d) Details of shareholders holding more than 5% shares in the Group

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs.2 each fully paid up				
G.Madhukar Reddy	1,53,50,400	12.87%	1,53,50,400	12.87%
PI Opportunities Fund I	1,68,34,759	14.11%	1,68,34,759	14.11%
Lavender Rose Investment Ltd	1,77,59,127	14.89%	2,05,63,607	17.24%
Lone furrow investment private limited	1,72,33,240	14.44%	1,72,33,240	14.44%
Agilemed Investments Private Limited	1,56,49,495	13.12%	1,56,49,495	13.12%
SBI Mutual Fund	79,00,000	6.62%	1,06,23,576	8.90%

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

(e) During the five years immediately preceding the year, ended March 31, 2023, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (f) below.

(f) Details of Bonus issue	Number of shares
During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i) 1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii) 1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii) 40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv) 40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v) 40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi) 40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
	2,13,96,708

(g) Shares reserved for issue under options
For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (refer note 39)

(h)

Details of Promoter shareholding	As at March 31, 2023			As at March 31, 2022	
Promoter Name	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares
Equity shares					
Madhukar Reddy Gangadi	1,53,50,400	12.87%	0.00%	1,53,50,400	12.87%
Agilemed Investments Private Limited	1,56,49,495	13.12%	0.00%	1,56,49,495	13.12%
Lone Furrow Investment Limited	1,72,33,240	14.44%	0.00%	1,72,33,240	14.44%

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

18 Other equity	As at March 31, 2023	As at March 31, 2022
(i) Securities premium		
Opening balance	11,835.54	2,492.69
Add: Issue of shares (refer note:17)	-	5,984.91
Less: Share Issue expenses	-	(217.27)
Add: Conversion of CCPS to equity shares	-	3,166.16
Add: Transferred from Share based payment reserve upon exercise of options	30.78	409.05
Add: Proceeds from equity shares issued under ESOP's	10.70	-
Total	11,877.02	11,835.54
Less: Amount recoverable from ESOP trust (refer note 39)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	67.51
Add: Amount recovered from ESOP Trust	7.05	5.86
	(2.88)	(4.07)
Closing balance	11,874.14	11,831.47
(ii) Equity component of compound financial instruments		
Opening balance	-	3,708.06
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
Less: Conversion of 0.001% Series B1 CCPS into equity shares	-	(61.07)
Less: Conversion of 0.001% Series B2 CCPS into equity shares	-	(66.62)
Less: Conversion of 0.001% Series C1 CCPS into equity shares	-	(11.22)
Less: Conversion of 0.001% Series C2 CCPS into equity shares	-	(3.20)
Less: Transfer Series A CCPS securities premium in to securities premium account	-	(1,981.65)
Less: Transfer Series C1 CCPS securities premium in to securities premium account	-	(751.12)
Less: Transfer Series C2 CCPS securities premium in to securities premium account	-	(214.46)
Less: Transfer Series C2 CCPS fair value increment in to general reserve	-	(322.97)
Closing balance	-	-

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(i) Par value of the Instruments issued:		
0.001% Series A compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	239.03
At the end of the year	-	-
0.001% Series B1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS into Equity shares	-	61.07
At the end of the year	-	-
0.001% Series B2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS into Equity shares	-	66.62
At the end of the year	-	-
0.001% Series C1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	11.22
At the end of the year	-	-
0.001% Series C2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Closing balance	-	-
Amount included in 'Equity component of compound financial instruments' above	-	-

* Rounded off to millions.

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

(iii) Share based payments reserve		
Opening balance	113.94	486.55
Add: Gross compensation for options granted during the year	221.19	107.37
Less: Transfer to Security premium account	(30.78)	(409.05)
Less: Stock option lapsed	-	(3.42)
Less: Transfer to Amount Recoverable From ESOP Trust In kind	-	(67.51)
Closing balance	**304.35**	**113.94**
(iv) General reserve		
Balance at the beginning and at the end of the year	355.03	28.64
Add: Stock option lapsed	-	3.42
Add: Fair value movement in the value of the CCPS transfer to general reserve	-	322.97
	355.03	**355.03**
(v) Capital reserve		
Balance at the beginning and at the end of the year	0.92	0.92
	0.92	**0.92**

(vi) Retained earnings	As at March 31, 2023	As at March 31, 2022
Opening balance	1,637.76	661.64
Profit for the year	497.63	958.02
Other comprehensive income for the year	3.34	18.10
	2,138.73	**1,637.76**
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi))	**14,673.17**	**13,939.12**

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Group has granted equity settled share based payment plans for certain categories of employees of the Group (Refer note 39).

c) General reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Capital reserve

The Group has acquired subsidiary through business combination resulting in bargain purchases.

e) Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

19 Current Borrowings

	As at March 31, 2023	As at March 31, 2022
Cash credit from banks (secured)*	-	1,426.82
	-	1,426.82

Terms of borrowings:

S.No	Bank Name	As at March 31, 2023	As at March 31, 2022	Security
1	HDFC Bank Limited	-	626.31	refer the below note
2	Axis Bank Limited	-	800.51	refer the below note
	Total	-	1,426.82	

Notes

(a) Cash credit facility availed with Axis bank & HDFC bank, These cash credit facilities are secured by the following:

(i) Pari Passu charge on the entire present and future inventories of Optival Health Solutions Private Limited.
(ii) Pari Passu charge on the entire present and future immovable fixed assets except the following building:
"Unfinished Shop no: G1 in the ground floor of Karna Nil yam in H No:10-1/6 on plot no:3/c at P&T Colony, Gaddiannarm Village, Saroor nagar revenue Mandal, Ranga Reddy District"

(b) Collateral security by way of fixed deposit to Axis Bank Limited, HDFC bank Limited, State Bank of India and Karur Vysya Bank of Rs Nil, (March 31, 2022: Axis Bank Limited and HDFC bank Limited of Rs 193.50).

(c) Personal guarantees of G.Madhukar Reddy (Director of the Company) untill May 2022, No immovable property of personal guarantor shall be encumbered/disposed off without prior consent of the Bank.

The cash credit facility availed during the year carries floating rate of interest in the range of MCLR + 0.45% to 0.55% per annum, (March 31, 2022 MCLR + 0.45% to 0.55% per annum) MCLR ranges from 7.22% to 7.30% per annum.

(d) The Group has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2023. There are no material discrepancies between books of accounts and quarterly statements submitted to banks, where borrowings have been availed based on security of current assets.

* The cash credit loan availed from the bank has been utilised for working capital requrements of the Optival Health Solutions Private Limited, no amount has been utilised for long term purpose. There is no default in the repayment during the year.

20 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Security deposits	7.08	9.07
	7.08	9.07
b. Current		
Payable for capital goods	96.33	88.92
Creditor for expenses	-	0.03
Dues to employees	571.17	434.69
	667.50	523.64

21 Lease liabilities

	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Lease liabilities (refer note no: 40D)	8,011.80	5,964.91
	8,011.80	5,964.91
b. Current		
Lease liabilities (refer note no: 40D)	987.44	757.62
	987.44	757.62

22 Provisions

	As at March 31, 2023	As at March 31, 2022
a. Non-current		
Provision for gratuity, partly funded (refer note 38)	277.46	203.85
	277.46	203.85
b. Current		
Provision for gratuity, partly funded (refer note: 38)	56.35	50.78
Provision for compensated absences	178.51	142.13
Provision for refund liability (refer note no 2.2h.)	25.78	23.97
	260.64	216.88

Refund liability is accounted based on Group's estimation of expected sales returns. Refer note no: 2.2h of these consolidated financial statements for Group's accounting policies on refund liabilities.

Movement in refund liability

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	23.97	25.46
Add: Provision created during the year	658.59	522.70
Less: Utilised during the year	(656.78)	(524.19)
Balance as at end of the year	25.78	23.97

23 Trade payables

	As at March 31, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues to micro and small enterprises (refer Note 42)	126.35	14.13
- total outstanding dues to other than micro and small enterprises	2,475.09	2,448.19
	2,601.44	2,462.32

Trade payables are non-interest bearing and are normally settled on 01-60 day terms.
For explanations on the Group's credit risk management processes, (refer to note.46)

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	99.46	26.90	-	-	-	126.36
(ii) Others	1,224.58	1,132.33	41.16	1.28	0.77	2,400.12
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	1,324.04	1,159.23	41.16	1.28	0.77	2,526.48
Accrued expenses						74.96
						2,601.44

Ageing of trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.51	3.62	-	-	-	14.13
(ii) Others	1,597.49	793.11	8.87	2.42	1.20	2,403.08
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	1,608.00	796.73	8.87	2.42	1.20	2,417.21
Accrued expenses						45.11
						2,462.32

24 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	142.98	90.03
Other payables	2.13	30.89
	145.11	120.92

25 Contract liabilities

	As at March 31, 2023	As at March 31, 2022
Advance from customers	22.54	20.16
Deferred revenue on Valueplus rewards scheme (Refer note a)	31.81	55.02
Deferred revenue on Pathology testing services (Refer note a)	39.06	5.59
	93.41	80.77
a. Reconciliation of Deferred revenue		
Balance as at beginning of the year	60.61	82.42
Deferred during the year	120.54	32.74
Released to the statement of profit and loss	(110.28)	(54.55)
Balances as at end of the year	70.87	60.61

26 Current tax liabilities (net)

	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (Net)	10.29	1.15
	10.29	1.15

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

27. Revenue from Contract with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Revenue from operations		
Sale of goods	44,979.72	37,478.62
Sale of services	307.08	75.13
	45,286.80	37,553.75
b. Other operating revenue		
- Display and other business support income	262.92	213.88
- Others	26.04	25.16
	288.96	239.04
Total	45,575.76	37,792.79

Disclosures as per Ind AS 115

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers at contracted price	45,951.03	38,088.44
Less: Discounts offered	(7.45)	(10.50)
Less: Sales returns	(656.78)	(524.19)
Revenue from contract with customers	45,286.80	37,553.75

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on business segment:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Retail trading of medicines and general items	44,981.26	37,478.99
Diagnostic Services	305.54	74.76
Others	-	-
Revenue from contract with customers	45,286.80	37,553.75

c. Revenues from significant customers

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue.

d. Contract balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer note 14)	86.51	60.36
Advance from customers(refer note 1 below)	22.54	20.16
Contract assets (refer note 2 below)	25.78	20.95
Deffered revenue (refer note 3 below)	70.87	60.61

Note 1:

Revenue recognised in the current reporting year that was included in the opening balance of advance from customers is Rs. 22.54 March 31, 2022: Rs. 20.62).

The advances from customers is expected to be utilised with in the next 12 months.

Note 2: Details of Contract Asset

As mentioned in the accounting policies for refund liability, the Group recognises an asset i.e., right to the returned goods (included in inventories) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

As on March 31, 2023, the Group has Rs 25.78 (March 31, 2022: Rs 20.95) as contract asset representing the right to the returned goods (included in inventories).

Note 3: Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the years ended March 31, 2023 and March 31, 2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	60.61	82.42
Deferred during the year	120.54	32.74
Released to the statement of profit and loss	(110.28)	(54.55)
Balance at the end of the year	70.87	60.61

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

28. Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
on bank deposits	176.72	88.44
Others	101.16	48.88
Insurance claims received	0.09	0.73
Rental income (refer note:43(b))	10.08	14.06
Amount recoverable from employees	78.61	47.12
Foreign exchange fluctuation gain (net)	0.90	0.06
Gain on de-recognition of Right-of-use assets	42.00	38.18
Government grant (refer note:55)	27.57	33.86
Miscellaneous income	23.65	42.30
	460.78	313.63

29. Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material and packing material		
Inventories at the beginning of the year	33.18	22.37
Add: Purchases	282.71	205.21
Less: Inventories at the end of the year	57.09	33.18
Cost of material consumed	258.80	194.40

30. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	20.26	19.42
Stock-in-trade	8,971.07	7,377.77
Work-in-progress	2.61	2.37
	8,993.94	7,399.56
Less : Inventories at the end of the year		
Finished goods	22.60	20.26
Stock-in-trade	11,175.14	8,971.07
Work-in-progress	7.44	2.61
	11,205.18	8,993.94
Change in inventories	(2,211.24)	(1,594.38)

31. Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	4,745.42	3,469.35
Contribution to provident and other funds * (refer note: 38)	307.76	228.07
Gratuity expense (refer note: 38)	95.90	74.46
Employees stock option compensation expenses (refer note: 39)	221.19	107.37
Staff welfare expenses	81.02	59.95
	5,451.29	3,939.20

32. Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	450.60	240.10
Amortisation of intangible assets	17.11	11.24
Depreciation of right-of-use assets (refer note:40)	1,352.64	942.26
Less: Amount transferred to capital work-in-progress*	(4.79)	-
	1,815.56	1,193.60

33. Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost	9.16	52.65
Interest on lease liabilities (refer note:40)	821.11	611.63
	830.27	664.28

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

34. Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	1.28	2.53
Rates and taxes	28.34	32.35
Electricity charges	317.15	177.78
Communication costs	118.90	86.25
Travelling and conveyance	88.11	54.25
Printing and stationary	110.73	65.68
Legal and Professional charges - Doctors Fees	56.90	-
Legal and professional charges - Others	61.49	60.43
Payment to auditors (refer note 35)	9.92	6.73
Insurance	19.22	15.39
Repairs and maintenance		
- Plant and machinery	61.90	45.71
- Others	119.05	68.52
Packing and forwarding charges	475.76	334.62
Commission and brokerage	89.20	71.04
Advertisement and sales promotion	112.60	67.82
Director Sitting fees	6.65	4.45
Credit/debit card commission charges	156.97	165.15
Provision for doubtful debts	4.68	1.57
Provision for doubtful deposits	3.33	2.12
Provision for doubtful advances	3.75	3.34
Foreign exchange fluctuation loss (net)	-	0.14
Loss on sale of property, plant and equipment	3.54	1.82
Advances/debts written off	1.08	0.26
Corporate social responsibility expenditure (refer note: 48)	16.02	9.92
Miscellaneous expenses	24.33	28.29
	1,890.91	1,306.16

35. Payment to statutory auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fee*	8.90	5.89
Certification	0.48	0.32
Reimbursement of expenses	0.54	0.50
	9.92	6.71

* Auditor's fees of Rs.Nil (March 31, 2022 18.81) towards IPO deliverables is not included.

36. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company for basic and diluted earnings per equity share		497.63	958.02
Earnings per equity share			
Weighted average number of shares for considered for Basic EPES			
(i)	Equity shares		
	Number of shares at the beginning of the year	11,93,05,676	4,36,645
	Weighted average number of shares issued during the year	-	20,46,319
	Add: Conversion of CCPS to equity	-	4,77,74,742
	Add: Exercise of employee stock options during the period	-	65,813
	Add: Increase on account of share split during the year	-	17,46,580
	Weighted average number of shares outstanding during the year	**11,93,05,676**	**5,20,70,099**
(ii)	Compulsorily Convertible Preference Shares ('CCPS')		
	Number of shares at the beginning of the year	-	2,10,23,264
	Add: Increase on account of share split during the year	-	8,40,93,056
	Add: Exercise of employee stock options during the year	-	26,32,517
	Less: Conversion of CCPS to equity shares	-	(4,77,74,742)
	Weighted average number of shares outstanding during the year	-	**5,99,74,095**
Weighted average number of shares for considered for Basic EPES (i)+(ii)		**11,93,05,676**	**11,20,44,194**
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year		3,45,267	4,31,204
Weighted average number of equity shares for diluted EPES		**11,96,50,943**	**11,24,75,398**
Face value of each equity share (In absolute Rs. terms)		2	2
Earnings per equity share (EPES) (In absolute Rs. terms)			
- Basic		4.17	8.55
- Diluted		4.17	8.52

Note: Since the fair value of equity share is lower than the fair value of excersie price there is no impact for the year ended March 31, 2023

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

37. Taxes

(a) The major components of income tax expenses for the year ended March 31, 2023 and for the year ended March 31, 2022 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
Current income tax charge	180.48	304.15
Taxes relating to earlier years	0.05	(2.91)
Deferred tax (benefit)/ expense		
Relating to origination and reversal of temporary differences	(209.95)	(68.97)
Total income tax expense recognised in statement of Profit and Loss	**(29.42)**	**232.27**

(ii) OCI Section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax expense		
On remeasurement of defined benefit plans	(1.27)	(5.58)
Income tax charged to Other Comprehensive Income	**(1.27)**	**(5.58)**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax (A)	471.63	1,179.43
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	118.70	296.84
Tax effect on non-deductible expenses (net) (D)	5.33	9.07
Deferred tax not recognised on losses	0.54	-
Tax benefits availed u/s 80JJAA of Income Tax Act (E)	(79.27)	(53.47)
Deferred Tax benefits availed u/s 80JJAA of Income Tax Act (E)	(97.39)	-
Deferred tax on consolidation adjustment	7.74	9.34
Others (F)	14.93	(26.61)
Total Tax expense (C+D+E+F)	(29.42)	235.18
Adjustments in respect of current income tax of previous year	-	(2.91)
Total	(29.42)	232.27
Tax expense as per Statement of Profit and Loss Account ((a)(i) above)	**(29.42)**	**232.27**

(c) The major components of deferred tax (liabilities)/assets (net) arising on account of timing differences are as follows:

As at March 31, 2023	March 31, 2022	Retained earnings	Profit and Loss 2022-23	OCI 2022-23	March 31, 2023
Deferred tax asset (net)					
Difference between depreciation on fixed assets es per books of accounts and as per Income Tax Act, 1961	71.20	-	11.87	-	83.07
Provision for expenses allowed for tax purpose on payment basis	101.49	-	30.80	(1.27)	131.02
Remeasurement benefit of the defined benefit plans through OCI	-		-	-	-
Claim on 80JJAA	-		97.39	-	97.39
Lease liabilities	235.08		61.62	-	296.70
Expense claimed for tax purpose on payment basis	6.15	-	0.52	-	6.67
Deferred tax on consolidation adjustment	35.53	-	7.74	-	43.27
Deferred tax benefit/ (expense)		-	209.94	(1.27)	
Deferred tax asset (net)	449.45				658.12

As at March 31, 2022	March 31, 2021	Retained earnings	Profit and Loss 2021-22	OCI 2021-22	March 31, 2022
Deferred tax asset (net)					
Difference between depreciation as per books of accounts and as per Income Tax Act, 1961	66.26	-	4.94	-	71.20
Provision for expenses allowed for tax purpose on payment basis	89.92	-	17.15	(5.58)	101.49
Lease liabilities	196.56	-	38.52	-	235.08
Expense claimed for tax purpose on payment basis	7.13	-	(0.98)	-	6.15
Deferred tax on consolidation adjustment	26.20	-	9.34	-	35.53
Deferred tax expense		-	68.97	(5.58)	
Deferred tax asset (net)	386.07				449.45

(d) As a matter of prudence, the Parent Company has not recorded deferred tax asset (net) on carry forward of business losses of certain components and the carrying amounts of assets as at March 31, 2023 aggregating to Rs. 257.49 (March 31, 2022: Rs.134.43), since the Parent Company is not probable that taxable profit will be available against which the deferred tax asset can be utilised.

Note 1:
The Optival health Solutions Private Limited has received a demand notice of Rs. 434.51 from the Income tax authorities on account of addition of certain items in the total income for financial year 2019-20. The matter is currently pending for disposal by the High Court. However, on the basis of receipt of an advise from an independent external consultant, Company is confident that the probability of the said assessment being settled against the Company is remote and accordingly, these financial statements do not warrant any adjustments in this regard.

Note 2:
Medplus Health Services Limited has received a demand notice of Rs. 34.86 on account of certain disallowances and additions to the total income. The Company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts by an independent external consultant, the Company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

B S R & Associates LLP Chartered Accountants

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

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49. Segment information

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Segment Reporting", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment. Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.During the year, the group has two primary segments i.e. (i) Retail trading of medicines and general items, & (ii) Diagnostic services.

Particulars	March 31, 2023					March 31, 2022				
	Retail	Diagnostics	Others	Unallocated	Total	Retail	Diagnostics	Others	Unallocated	Total
REVENUE										
External sales	44,979.74	305.54	1.52	-	45,286.80	37,478.99	74.76	-	-	37,553.75
Inter-segment sales	-	-		-	-	-				-
Total revenue	**44,979.74**	**305.54**	**1.52**	**-**	**45,286.80**	**37,478.99**	**74.76**	**-**	**-**	**37,553.75**
Less: Eliminations	-	-	-	-	-	-	-	-	-	-
Other operating revenue	288.96	-	-	-	288.96	239.04	-	-	-	239.04
Total Revenue from operations	**45,268.70**	**305.54**	**1.52**	**-**	**45,575.76**	**37,718.03**	**74.76**	**-**	**-**	**37,792.79**
Segment results	599.12	(294.50)	(0.90)		303.72	1,280.87	(137.23)	-	-	1,143.64
Interest expense	-	-		(8.81)	(8.81)	-	-	-	(52.65)	(52.65)
Interest income	-	-		176.72	176.72	-	-	-	88.44	88.44
Profit before tax					**471.63**					**1,179.43**
Tax benefit / (expenses)					29.42					(232.27)
Profit for the year					**501.05**					**947.16**
OTHER INFORMATION										
Segment assets	23,029.62	1,719.85	-	3,217.71	27,967.18	18,711.40	816.36	-	6,412.72	25,940.48
Total assets					**27,967.18**					**25,940.48**
Segment liabilities	12,118.54	932.44	-	11.19	13,062.17	11,312.57	454.23	-	1.15	11,767.95
Total liabilities					**13,062.17**					**11,767.95**
Capital expenditure	1,285.40	402.63	-	2.02	**1,690.05**	770.93	406.28	-	-	**1,177.21**
Depreciation and amortization expense	1,684.02	131.37	-	0.17	**1,815.56**	1,193.60	-	-	-	**1,193.60**
Interest Income	97.88	3.28	-	176.72	**277.88**	48.40	0.48	-	88.44	**137.32**
Finance Cost	756.01	65.45	-	8.81	**830.27**	585.78	25.85	-	52.65	**664.28**
Non-cash expenses other than depreciation	797.46	109.79	-	0.04	**907.29**	231.27	2.17	-	-	**233.44**

(A) Analysis of revenue by geography

The group operates within india and does not have operations in economic environments with different risks and returns. Hence, no separate financial disclosures are provided in respect of its geographical segment.

(B) Information about revenue from major customers which is included in revenue

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue.

(C) In order to align with the current business structure, the group has carried out necessary change in the composition of its reportable segments. The Group has identified primarily two reportable segments, based on review by the Chief operating Decision Maker (CODM; which is the Managing Director), i.e. (i) Retail trading of medicines and general items, and (ii) Diagnostic services. The comparative information as presented in the consolidated segment information have been restated to this effect in accordance with Ind AS 108

MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

38 Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Gratuity benefits provided by the Group

Group has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded with an insurance company in the form of a qualifying insurance policy managed by Life Insurance corporation of India.

The components of gratuity cost recognised in the consolidated statement of profit and loss and other comprehensive income for the years ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	343.82	303.26
Current service cost	77.42	59.48
Interest on defined benefit obligations	24.66	20.36
Benefit Payments from Plan Assets	(5.53)	
Benefits paid	(11.37)	(13.55)
Re-measurements due to:		
Remeasurements- due to change in assumptions	(3.36)	(10.16)
Actuarial loss due to demographic assumptions	-	2.29
Remeasurements- due to experience adjustment	(1.65)	(17.86)
Defined benefit obligations at the end of the year	**423.99**	**343.82**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	89.19	77.72
Employer contributions	0.69	15.27
Employer Direct benefits payments	0.05	
Interest on plan assets	6.31	5.88
Benefits paid	(5.73)	(7.34)
Expenses	(0.04)	(0.06)
Remeasurements-return on plan assets	(0.29)	(2.28)
Plan assets at the end of the year	**90.18**	**89.19**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	77.42	59.48
Interest on net defined benefit liability, net	24.66	20.36
Reimbursement Service Cost	-	(0.02)
Excepted return on plan assets	(6.35)	(5.36)
Gratuity cost recognised in statement of profit and loss	**95.73**	**74.46**
Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(3.36)	(10.16)
Remeasurements - due to experience adjustment	(1.65)	(17.86)
Remeasurements - return on plan assets	0.40	4.16
Defined benefit costs recognised in other comprehensive income	**(4.61)**	**(23.86)**
Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	423.99	343.82
Fair value of plan assets	(90.18)	(89.19)
Net defined benefit liability recognised	**333.81**	**254.63**

Bifurcation of net defined benefit liability

Particulars	As at March 31, 2023	As at March 31, 2022
Current liabilities	56.35	50.78
Non-current liabilities	277.46	203.85
	333.81	254.63

Sensitivity Analysis: Increase/ (decrease) in obligation

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(23.63)	(18.31)
- 1% decrease	26.60	20.60
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	26.43	20.57
- 1% decrease	(24.23)	(18.80)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(4.02)	(3.01)
- 1% decrease	4.35	3.27

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.50% to 7.52%	7.31% to 7.34%
Rate of return of plan assets	7.27% to 7.52%	7.07% to 7.34%
Attrition rate		
below 30 Years	27.18%	27.18%
31-40 years	18.47%	18.47%
41-50 Years	13.40%	13.40%
51 years and above	12.26%	12.26%
Rate of compensation increase	9% to 15%	9% to 15%

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The expected future cash flows in respect of gratuity were as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected future benefit payments		
Less than a year	56.80	50.67
Between 2-5 years	207.91	168.02
More than 5 years	184.56	143.14

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
Attrition rate: Represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.
Sensitivity analysis: The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

B. Defined Contribution Plan

Provident fund benefits

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Group has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense for the year aggregated to Rs. 307.76 (March 31, 2022: Rs 228.07) and is included in "contribution to provident fund and other funds.

II. Other benefits

Leave compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The amount recognised as an expense towards leave encashment for the year aggregated to Rs. 66.66 (March 31,2022: Rs. 42.50).

39. Employee stock option plan

(I) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Group instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares. During the year ended March 31, 2023, the following scheme is under operation:

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 options to the Trust.
The Group has allotted (before giving impact of bonus & split) 4,110 equity shares against 4,110 granted options and 5,563 shares (against 5,563 non- granted option) to the trust at premium of Rs. 0.01102 per share and Rs. 0.00578 per share respectively, aggregating total securities premium of Rs. 77.44.

Amount receivable from the trust for options granted aggregating to Rs.77.54 (Face value – Rs 0.10 and Premium of Rs 77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year March 31, 2023 416 (March 31, 2022 8,760) options were exercised by employees which resulted in
(i) increase in paid up capital by March 31, 2023 Rs. 0.00 (March 31, 202: Rs. 0.09) and
(ii) increase of securities premium by March 31, 2023 Rs. Nil (March 31, 202: Rs. 67.51)
Further, recovery of March 31, 2023 11.89 (March 31, 202: Rs. 5.86) from ESOP trust was done on account of exercised options.

Employees stock option and share plan 2009

Particulars	March 31, 2023	March 31, 2022
Number of options granted	Nil	905
Method of settlement (Cash/Equity)	NA	Equity
Vesting period	NA	300 options have vested 266 options vest over the finanical year 2022-23 174 options vest over the finanical year 2023-24 153 options vest over the finanical year 2024-25 12 options vest over the finanical year 2025-26
Exercise period	NA	4 years for 905 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	NA	None

(b) The details of the activity have been summarized below

Particulars	As at March 31, 2023 (No. of equity shares)	As at March 31, 2022 (No. of equity shares)
Outstanding at the beginning of the year	905	9,173
Exercisable at the beginning of the year	300	8,770
Granted during the year	-	562
Forfeited during the year	-	-
Exercised during the year	416	8,760
Vested during the year	216	355
Expired during the year	100	70
Outstanding at the end of the year*	389	905
Exercisable at the end of the year	100	300
Weighted average remaining contractual life (in years)	-	-

* One option equals to 461.25 equity shares

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(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a)The Group instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2023 the Group has granted 95,941 (March 31, 2022: 70,317) Options to its employees and 36,900 (March 31, 2022: 865,587) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of Rs 541.98 per option on March 30, 2023 (March 31, 2022: 232 per option on November 22, 2021).

Employees stock option and share plan 2021

Particulars	March 31, 2023	March 31, 2022
Number of options granted	1,32,841	935,904
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	9,594 options vest in 12 months from the grant date. 23,985options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377options vest in 36 months from the grant date.	106,316 options vest in 12 months from the grant date. 239,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 224,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 355,535 options vest in 48 months from the grant date.
Exercise period	3 years	3 years
Vesting conditions	None	None

(b) The details of the activity have been summarized below

Particulars	March 31, 2023 (No. of options)	March 31, 2022 (No. of options)
Outstanding at the beginning of the year	9,35,904	-
Exercisable at the beginning of the year	-	-
Granted during the year	1,32,841	9,35,904
Forfeited during the year	30,987	-
Exercised during the year	-	-
Vested during the year	1,04,328	-
Expired during the year	-	-
Outstanding at the end of the year	10,37,758	9,35,904
Exercisable at the end of the year	1,04,328	-
Weighted average remaining contractual life (in years)	-	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2023	March 31, 2022
Weighted average share price/ market value	634.55	795.80
Exercise price (Rs. per share)	541.98	232.00
Options granted	1,32,841	935,904
Date of grant	March 30, 2023	November 22, 2021
Expected volatility	20.00%	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period + 3 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	204.00	634.37

Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

Particulars	March 31, 2023	March 31, 2022
Total employee compensation cost pertaining to stock option plan	221.19	107.37
Reserves - employee stock option plan outstanding as at the year end	304.34	113.94

Note: The management of the Company made an application with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during the year ended 31 March 2023 in connection with seeking their approval for allotment of equity shares of the Company to the employees of the subsidiaries granted in accordance with The ESOP 2021 plan. An in-principle approval of the BSE and NSE has been received in this regard. However, the approval is subject to ratification of the scheme and the underlying stock options granted to the employees of the subsidiaries through a separate Special Resolution by the shareholders of the Company. The necessary process to seek the approval of the shareholders has already been initiated by the management subsequent to the year ended 31 March 2023. However, in view of the management, the said process is not expected to have any impact on these financial statements, including the accounting for the stock options granted to the employees of the subsidiaries

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

40. Lease

A The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the rightof-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

B Movement of right of use asset for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Building	Total
Gross carrying amount as at March 31, 2021	-	5,082.58	5,082.58
Additions	-	3,163.43	3,163.43
Deletions	-	414.41	414.41
Gross carrying amount as at March 31, 2022	-	7,831.60	7,831.60
Additions	62.55	3,638.44	3,700.99
Deletions	-	354.25	354.25
Gross carrying amount as at March 31, 2023	62.55	11,115.79	11,178.34
Accumulated Depreciation			
Depreciation as at March 31, 2021	-	(1,233.84)	(1,233.84)
Depreciation charge for the year	-	(942.26)	(942.26)
Deletions	-	(236.07)	(236.07)
Depreciation as at March 31, 2022	-	(1,940.03)	(1,940.03)
Depreciation charge for the year	(2.96)	(1,349.68)	(1,352.64)
Deletions	-	(136.31)	(136.31)
Depreciation as at March 31, 2023	(2.96)	(3,153.40)	(3,156.36)
Carrying amounts			
Net block as at March 31, 2022	-	5,891.57	5,891.57
Net block as at March 31, 2023	59.59	7,962.39	8,021.99

* The aggregate Depreciation expenses for the year on Right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

C The Following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31,2023& March 31,2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short -term lease expense	1.28	2.53
Rental income from sub-lease	10.08	14.06
Total		

D Following are the changes in the lease liabilities for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Building	Amount
Balance as at March 31, 2021	-	4,549.78	4,549.78
Additions	-	3,046.32	3,046.32
Finance cost accrued during the year	-	611.63	611.63
Deletions	-	217.19	217.19
Payment of lease liabilities	-	1,268.01	1,268.01
Balance as at March 31, 2022	-	6,722.53	6,722.53
Additions	56.08	3,363.83	3,419.91
Finance cost accrued during the year	2.12	818.99	821.11
Deletions	-	259.08	259.08
Payment of lease liabilities	4.10	1,701.12	1,705.22
Balance as at March 31, 2023	54.10	8,945.15	8,999.25

Bifurcation of lease liabilities	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	8,011.80	5,964.91
Current lease liabilities	987.44	757.62

E The following is the cash outflow on leases during the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment of lease liabilities	1,705.22	1,268.01
Short-term lease expense	1.28	2.53
Total cash outflow on leases	1,706.50	1,270.54

F The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1,768.55	1,496.34
1 to 5 years	7,300.96	5,350.18
Over 5 years	2,972.01	3,366.93

a. The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

b. Lease payments during the year have been disclosed under financing activities in the Consolidated Statement of Cash flows.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

41. Capital commitments and contingent liabilities

(A.) Capital Commitments

(i) As at March 31, 2023 the Group has commitments of Rs. 63.52 (March 31, 2022: Rs.209.54) relating to contracts remaining to be executed on capital account after considering the capital advances paid.

(B.) Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
i) Claims against the Group not acknowledged as debt		
Income tax	111.78	111.78
Value added tax	7.08	7.08
	118.86	118.86

(ii) During the year ended March 31, 2015, Ritemed Pharma Retail Private Limited (merged entity) had received an assessment order for the assessment year 2012 -13 proposing an adjustment of Rs.18.37 to the returned loss. Ritemed Pharma Retail Private Limited (merged entity) had filed an appeal before Commissioner of Income Tax (Appeals), thereby revising the adjustment to Rs 8.2 with revised tax demand of Rs 2.66. Group filed an appeal in Income-tax Appellate Tribunal, based on its internal assessment is confident that the matter will be decided in its favour and no adjustment to the financial statement is required.

iii) The Payment of Bonus (Amendment) Act, 2015 had been notified in the financial year 2015-16. Among other amendments, it has increased, with retrospective effect from April 1, 2014, the scope of coverage by revising the salary ceiling for eligible employees and also increasing the salary limit capped for the purpose of calculating bonus. Based on the legal advice and the interim stay granted by various high courts on retrospective application of the aforesaid amendment, the Group has not accrued for bonus for the financial year 2014-15 amounting to Rs. 8.61 and merged entity Ritemed Pharma Retail Private Limited amounting to Rs 4.5.

iv) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

v) Ritemed Pharma Retail Private Limited (merged with Optival Health Solutions Private Limited w.e.f. April 01, 2016), subsidiary company, had entered into the following transactions during the year ended March 31, 2011:

i) Purchase of goods aggregating to Rs.312.25 for the period May 7, 2010 to March 3, 2011 from the Optival Health Solutions Private Limited; and
ii) Purchase of goods and services aggregating to Rs.21.80 and sale of goods and services aggregating to Rs.15.15 for the period April 1, 2010 to March 3, 2011 from one of the covered entities - Optival Health Solutions Private Limited.

The above transactions require prior approval of the Central Government under the provisions of Section 297 of the erstwhile Companies Act, 1956. The above transactions are part of normal business transactions at prevailing market prices. Ritemed Pharma Retail Private Limited, subsidiary company, has applied to the appropriate regulatory authorities for regularization on June 10, 2011. Management is confident that the penalties, if any, that may arise on account of such non-compliance will not be material.

vi) During the previous year, the Group has received Assessment order u/s.143(3) of Income tax Act, 1961 dated November 29, 2019 for the assessment year 2017-18 with an addition of Rs.420.37 to the returned income and a tax demand of Rs.192.54 on such addition. The addition made to returned income is the difference between turnover reported in VAT returns and Sales as per financial statements.
As per the VAT laws of Karnataka, Turnover to be reported in the VAT returns is at maximum retail price (MRP) and whereas financials turnover will be at actual sale value. The above difference is due to reporting of Turnover in VAT Returns as per Local Laws and does not require addition to income. Accordingly, the Group filed an appeal with CIT(Appeals) - Bengaluru on December 13, 2019, based on its internal assessment it is confident that the matter will be decided in its favor and no adjustment to the consolidated financial statement is required.

(vii) The Group is subject to legal proceedings and claims before various tax authorities, customers, vendors and other regulators which have arisen in the ordinary course of business and which are pending at various levels of judicial and appellate authorities. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Group, as the case may be and therefore timing of cash flows cannot be predicted. The Group engages reputed professional advisors wherever required to protect its interests and has been advised that it has strong legal positions against such disputes. The Group believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.
(viii) On March 31, 2020, Gangadi Investments Private Limited ("GIPL") transferred 1,199 equity shares of the Company to Shore Pharma LLC, a non-resident entity ("GIPL Transfer"), for which GIPL filed a form FC-TRS. GIPL received an email from the RBI dated June 2, 2020 approving the said transfer and advising the Company to pay a late submission fee of ₹ 34,515 for contravention under Regulation 4 (3) of the RBI notification no. FEMA 395/2019-RB dated October 17, 2019, and to apply for compounding of the contravention. The Company had filed an application for compounding on July 5, 2021, which was returned by RBI due to certain discrepancies. The Company is in the process of re-filing the application for compounding with RBI. The Company believe that penalty if any to be levied by RBI will not be material.

42. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondance with its customers the Entreprenuers Memorandum Number as allocated after filling the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 and March 31, 2022 has been made in the consolidated financial statements based on information received and available with the Group. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

Particulars	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	126.35	14.13
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note : This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

43. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. NovaSud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
5. Kalyani Meditimes Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director
2. C. Bhaskar Reddy – Executive Director (upto July 5, 2021)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Parag Jain- Company Secretary (upto January 14, 2022)
6. Shilpi Keswani- Company Secretary (upto March 30, 2023)
7. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

(iii) Directors

1. Murali Sivaraman - Independent Director (w.e.f 11 June 2021)
2. Madhavan Ganesan - Independent Director (w.e.f 11 June 2021)
3. Hiroo Mirchandani - Independent Director (w.e.f 5 July 2021)
4. Atul Gupta - Non Executive Director (w.e.f 6 February 2021)
5. Anish Kumar Saraf - Non Executive Director (w.e.f 6 February 2021)

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited)
3. Lone Furrow Investment Private Limited

(v) Employee Benefit Plans

1. Medplus Employees Group Gratuity Assurance Scheme
2. Optival Employees Group Gratuity Assurance Scheme

(b) Related party transactions during the year ended	March 31, 2023	March 31, 2022
(i) Enterprises over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of Property,Plant & Equipment	74.23	100.65
Purchase of Intangible asset	-	11.19
Purchase of Materials	0.42	-
Sale of Asset	-	36.05
Rental income	0.69	0.65
Purchase of Stock-in-trade	1.40	-
Rental expense	2.70	0.68
Reimbursement of expenses received	2.06	0.30
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03
(ii) Key Management Personnel		
1. G. Madhukar Reddy		
a. Managerial remuneration		
Short-term employee benefits	4.00	4.00
b. Rent	3.19	3.06
2. C. Bhaskar Reddy		
a. Managerial remuneration		
Short-term employee benefits	-	1.53
Share based payments	-	5.14
3. Hemanth Kundavaram		
a. Remuneration		
Short-term employee benefits	2.14	9.79
Share based payments	-	1.85
4. Parag Jain		
a. Remuneration		
Short-term employee benefits	-	1.01
5. Shilpi Keswani		
a. Remuneration		
Short-term employee benefits	1.03	0.21
6. Sujit Kumar Mahato		
a. Remuneration		
Short-term employee benefits	4.34	-
b. Share-based payment expense	0.04	-
7. Sitting fee paid to directors	6.65	4.45

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

(c) Balances Receivable / (Payable)	March 31, 2023	March 31, 2022
(i) Key Management Personnel		
1. G. Madhukar Reddy	0.73	0.48
2. C. Bhaskar Reddy	-	-
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	2.32	(2.11)

Refer note 19 for the details of the guarantees given by related parties to the lenders of the Group.

Note:

1. All transactions with these related parties are priced on an arm's length basis and are to be settled in cash. All the outstanding balances are unsecured, interest free. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.
2. Managerial remuneration does not include post employment benefit which is determined for Group as whole.

44. Fair Values

Refer Note 2.2(s) for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Financial assets at amortised cost:				
a) Trade receivables	86.51	60.36	86.51	60.36
b) Cash and cash equivalents	2,283.75	214.55	2,283.75	214.55
c) Bank balances other than above	554.60	129.50	554.60	129.50
d) Others	822.33	7,242.74	822.33	7,242.74
Total Financial assets	**3,747.19**	**7,647.15**	**3,747.19**	**7,647.15**
Financial liabilities				
Financial liabilities at amortised cost:				
a) Borrowings	-	1,426.82	-	1,426.82
b) Trade payables	2,601.44	2,462.32	2,601.44	2,462.32
c) Lease liability	8,999.24	6,722.53	8,999.24	6,722.53
d) Others	674.58	532.71	674.58	532.71
Total Financial Liabilities	**12,275.26**	**11,144.38**	**12,275.26**	**11,144.38**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

45. Fair value hierarchy

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46. Financial risk management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include lease rental deposits, loans, trade receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors is responsible for overseeing the Group's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group has floating rate of borrowings. The exposure to risk of changes in market interest rates in minimal. The Group has not used any interest rate derivatives.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in profit before tax	
	March 31, 2023	March 31, 2022
Change in interest rate		
- Increase by 50 basis points	-	(3.69)
- Decrease by 50 basis points	-	3.74

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk, except for trade receivables.

Trade and other receivables

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 86.51 and Rs 68.05 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2023	67.80	18.71	86.51
As at March 31, 2022	54.61	13.44	68.05

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Particulars	March 31, 2023	March 31, 2022
At the beginning of the year	7.69	20.73
Provision for Impairment	4.68	1.57
Receivables written off during the year as uncollectible	-	(0.20)
Unused amounts reversed	(5.92)	(14.41)
At the end of the year	6.45	7.69

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:				
Trade payables	2,601.44	-	-	2,601.44
Other financial liabilities	667.50	7.08	-	674.58
Lease liability	1,768.55	7,300.96	2,972.01	12,041.52
	5,037.49	7,308.04	2,972.01	15,317.54

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:				
Borrowings	1,426.82	-	-	1,426.82
Trade payables	2,462.32	-	-	2,462.32
Other financial liabilities	523.64	9.07	-	532.71
Lease liability	1,496.34	5,350.18	3,366.93	10,213.45
	5,909.12	5,359.25	3,366.93	14,635.30

47. Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

	March 31, 2023	March 31, 2022
Borrowings including interest accrued on borrowings	-	1,426.82
Less: Cash and cash equivalents	2,283.75	(214.55)
Less: Margin deposits with bank	-	(193.50)
Net debt	2,283.75	1,018.77
Equity	238.61	238.60
Other Equity	14,673.17	13,939.12
Total Equity	14,911.78	14,177.72
Gearing ratio (Net Debt/ (Net Debt+Total Equity))	-	0.07

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.
The Group has no outstanding borrowings as at March 31, 2023

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023.

48. Details of Corporate Social Responsibility (CSR) expenditure

	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Group during the year	16.02	9.92
(b) Amount approved by the Board to be spent during the year	16.02	9.92
(c) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	16.02	9.92
(d) (Shortfall) / Excess at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Details of related party transactions	-	-
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	-	-
(h) Reason for shortfall:	NA	NA

For the year ending March 31, 2023 and March 31, 2022 : No shortfall

Nature of CSR activities:

i) Payment to Prime minister national relief fund
ii) Education
iii) Hunger management
iv) Covid activies

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)
50. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - General instructions for the preparation of consolidated financial statements

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comrehensive Income		Share in Total Comrehensive Income	
	% of Net of Consolidated Net Assets	Rs.	% of Net of Consolidated profit & Loss	Rs.	% of Other Comprehensive Income	Rs.	% of Total Comprehensive Income	Rs.
Parent								
MedPlus Health Services Private Limited								
Balance as at March 31, 2023	76.54%	11412.78	11.06%	55.44	-106.59%	(3.56)	10.29%	51.88
Balance as at March 31, 2022	78.49%	11127.84	5.89%	55.78	6.40%	1.17	5.90%	56.95
Subsidiaries in India								
Optival Health Solutions Private Limited ('OHSPL')								
Balance as at March 31, 2023	76.81%	11453.84	77.93%	390.49	202.69%	6.77	78.76%	397.26
Balance as at March 31, 2022	43.61%	6183.14	86.58%	820.08	91.52%	16.73	86.68%	836.81
MHS Pharmaceuticals Private Limited ('MHS')								
Balance as at March 31, 2023	1.47%	219.88	-0.16%	(0.82)	0.00%	0.00	-0.16%	(0.82)
Balance as at March 31, 2022	1.56%	220.70	-0.14%	(1.31)	0.00%	0.00	-0.14%	(1.31)
Agilemed Investment Private Limited (formerly known as Ritecure Pharma Private Limited) ('APPL')								
Balance as at March 31, 2023	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Balance as at March 31, 2022	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)('WPPL')								
Balance as at March 31, 2023	0.98%	146.45	11.13%	55.75	0.00%	0.00	11.05%	55.75
Balance as at March 31, 2022	0.64%	90.71	4.72%	44.73	0.00%	0.00	4.63%	44.73
Nova Sud Pharmaceuticals Private Limited (formerly known as Panindia Pharma Distributors Private Limited)('NPPL')								
Balance as at March 31, 2023	0.42%	62.63	-0.36%	(1.82)	0.00%	0.00	-0.36%	(1.82)
Balance as at March 31, 2022	0.45%	64.46	0.18%	1.71	0.00%	0.00	0.18%	1.71
Sai Sridhar Pharma Private Limited ('SSPPL')								
Balance as at March 31, 2023	0.97%	144.95	6.45%	32.34	3.29%	0.11	6.43%	32.45
Balance as at March 31, 2022	0.79%	112.50	2.58%	24.42	0.66%	0.12	2.54%	24.54
Venkata Krishna Enterprises Private Limited ('VKEPL')								
Balance as at March 31, 2023	1.58%	235.71	11.40%	57.10	1.50%	0.05	11.33%	57.15
Balance as at March 31, 2022	1.25%	177.40	4.25%	40.29	-0.22%	(0.04)	4.17%	40.25
Deccan Medisales Private Limited ('DMPL')								
Balance as at March 31, 2023	0.47%	70.41	1.91%	9.55	-0.30%	(0.01)	1.89%	9.54
Balance as at March 31, 2022	0.43%	60.86	0.82%	7.78	-1.15%	(0.21)	0.78%	7.57
Shri Banashankari Pharma Private Limited ('SBPPL')								
Balance as at March 31, 2023	0.01%	0.81	-0.03%	(0.17)	0.00%	0.00	-0.03%	(0.17)
Balance as at March 31, 2022	0.01%	0.97	-0.09%	(0.87)	0.00%	0.00	-0.09%	(0.87)
Sidson Pharma Distributors Private Limited ("SPDPL")								
Balance as at March 31, 2023	0.48%	71.44	2.98%	14.91	-0.60%	(0.02)	2.95%	14.89
Balance as at March 31, 2022	0.40%	56.33	1.39%	13.17	-0.11%	(0.02)	1.36%	13.15
Kalyani Meditimes Private Limited ('KMT')								
Balance as at March 31, 2023	-0.04%	(6.44)	1.44%	7.24	0.00%	0.00	1.44%	7.24
Balance as at March 31, 2022	-0.10%	(13.69)	-3.33%	(31.52)	2.90%	0.53	-3.21%	(30.99)
ClearanceKart Private Limited								
Balance as at March 31, 2023	0.00%	(0.05)	0.00%	(0.06)	0.00%	0.00	0.00%	(0.06)
Balance as at March 31, 2022	0.00%	0.01	0.00%	(0.09)	0.00%	0.00	0.00%	(0.09)
MedPlus Ineurance Brokers Private Limited*								
Balance as at March 31, 2023	0.00%	19.21	0.00%	(0.79)	0.00%	0.00	0.00%	(0.79)
Minority interests in all subsidiaries								
Balance as at March 31, 2023	-0.05%	(6.77)	0.68%	3.42	0.00%	0.00	0.68%	3.42
Balance as at March 31, 2022	-0.04%	(5.19)	-1.15%	(10.86)	0.98%	0.18	-1.11%	(10.68)
Consolidation adjustments								
Balance as at March 31, 2023	-59.64%	(8893.85)	-24.42%	(122.37)	0.00%	0.00	-24.26%	(122.37)
Balance as at March 31, 2022	-27.50%	(3898.31)	-1.71%	(16.24)	-0.98%	(0.18)	-1.70%	(16.42)
Total								
Balance as at March 31, 2023	100.00%	14911.78	100.00%	501.05	100.00%	3.34	100.00%	504.39
Balance as at March 31, 2022	100.00%	14177.72	100.00%	947.16	100.00%	18.28	100.00%	965.44

Notes
1) Net assets means total assets minus total liabilities excluding shareholders funds. Net assets and share in profit or loss for the parent company and subsidiaries are as per the standalone financials of the respective entities.

2) The disclosure as above represents separate information for each of the consolidated entities before elimination of inter–company transactions. The net impacts on elimination of inter–company transactions/profits/consolidation adjustments have been disclosed separately.

*The Holding Company subscribed to 2,00,000 shares of 10 each of MedPlus Insurance Brokers Private Limited, which was incorporated on July 14, 2022 under the Compnies Act, 2013.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

51. The Group does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

52. The Group has granted loans and made investment in some of its subsidiaries and other parties. Loans has been given for general corporate purpose. In some of the cases, the subsidiary has utilised borrowings for further investment as per their business requirement. However, none of those borrowings have been utilised for further advancement of loans/investment for the year ended March 31, 2023 and March 31, 2022.

53. **Other statutory information**

(i) Based on the available information, the Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(iii) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Comapany shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The group has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company

54. **Initial Public Offer and Utilization of Proceeds**

The holding Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of faco value of Rs. 2 each during the year ended March 31, 2022 along with a consequent listing of its equity sharas on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Company for an amount of Rs. 6,000 and an offer for sale of 1,00,28,831 equity shares by certain shareholders for an amount of Rs. 7,982.95. Further, an amount of Rs. 536.83 has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer size, with the Company' share of expenses aggregating to Rs. 217.27 being adjusted against the balance of Securities Premium in accordanco with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the holding Company (Net of IPO related expense) is summarized below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31, 2023	Unutilised amount as on March 31, 2023*
i) Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	4,671.70	-
ii) General Corporate Purposes	1,111.03	326.43	784.60
Total	**5,782.73**	**4,998.13**	**784.60**

* Out of the aforesaid unutilised proceeds, amount of Rs. 784.60 have been placed as fixed deposits with bank .

55. **Government Grant**

Other operating revenue includes incentives against skill development under National Apprenticeship Promotion Scheme of Rs. 27.57 (March 31, 2022, Rs. 33.86).

56. The Board of Directors of the Company, at their meeting held on 10 January 2023, have approved a Scheme of amalgamation (Scheme) between the Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, with an appointed date of 1 April 2023. The management is in the process of filing the Scheme with the National Company Law Tribunal and other regulators for their approval

As per our report of even date
For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Suji Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Unaudited Standalone Balance sheet June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Notes	As at June 30, 2023	As at March 31, 2023
ASSETS			
Non Current Assets			
Property, plant and equipment	**3a**	98,33,55,625	93,55,83,098
Capital work-in-progress	**3b**	13,80,96,848	17,90,90,456
Other Intangible assets	**3c**	3,20,57,260	3,41,36,436
Right-of-use assets	**4**	83,87,80,746	82,43,97,283
Financial assets			
Investments	**5**	9,20,89,75,967	9,17,15,76,495
Trade receivables	**11**		
Other financial assets	**7**	1,67,18,529	2,57,54,728
Non-current tax assets (net)	**8**	2,90,97,754	2,46,80,877
Other non-current assets	**9**	2,13,27,655	1,83,62,384
		11,26,84,10,383	**11,21,35,81,757**
Current Assets			
Inventories	**10**	8,28,18,583	6,68,80,048
Financial assets			
Trade receivables	**11**	33,93,53,003	37,61,17,372
Cash and cash equivalents	**12**	44,13,25,019	35,70,36,800
Bank balances other than cash and cash equivalents	**13**	40,86,84,898	54,45,97,381
Loans	**6**	-	-
Other financial assets	**7**	5,57,54,311	5,56,17,246
Other current assets	**9**	9,35,49,824	10,56,06,323
		1,42,14,85,639	**1,50,58,55,170**
Total Assets		**12,68,98,96,021**	**12,71,94,36,927**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**14**	23,86,06,382	23,86,06,382
Other equity	**15**	11,18,15,03,602	11,17,42,95,320
Total Equity		**11,42,01,09,984**	**11,41,29,01,702**
Liabilities			
Non Current Liabilities			
Financial liabilities			
Lease liabilities	**17**	83,37,34,121	80,81,52,418
Provisions	**19**	1,46,52,517	1,83,52,211
		84,83,86,638	**82,65,04,629**
Current Liabilities			
Financial liabilities			
Lease liabilities	**17**	4,92,30,398	4,98,89,322
Trade payables	**16**		
- Total outstanding dues to micro and small enterprises		-	36,07,044
- Total outstanding dues to other than micro and small enterprises		8,96,06,881	12,41,75,338
Other financial liabilities	**18**	21,49,58,485	22,96,14,980
Other current liabilities	**20**	1,31,43,374	2,10,17,842
Contract liabilities	**21**	4,30,16,816	4,13,98,565
Provisions	**19**	1,14,43,444	1,03,27,505
		42,13,99,399	**48,00,30,596**
Total Liabilities		**1,26,97,86,037**	**1,30,65,35,225**
Total Equity and Liabilities		**12,68,98,96,021**	**12,71,94,36,927**

For MedPlus Health Services Limited

Sd/-
G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Unaudited Standalone Statement of profit and loss for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Notes	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
Income			
Revenue from operations	**22**	71,89,19,254	2,13,92,74,332
Other income	**23**	1,80,73,180	16,23,97,173
Total income		**73,69,92,434**	**2,30,16,71,505**
Expenses			
Purchases of stock-in-trade	**24**	42,22,41,753	1,31,49,10,433
Cost of materials consumed	**25**	9,89,98,642	25,77,72,420
Changes in inventories of finished goods, work-in-progress a	**26**	(53,41,948)	(39,62,357)
Employee benefits expense	**27**	9,75,80,306	28,14,39,581
Finance costs	**29**	2,07,87,987	6,54,47,947
Depreciation and amortisation expense	**28**	5,53,72,797	15,30,69,461
Impairment reversals (net)		-	(6,94,35,954)
Other expenses	**30**	8,22,01,927	22,65,22,763
Total expenses		**77,18,41,463**	**2,22,57,64,294**
Profit/(Loss) before tax		**(3,48,49,029)**	**7,59,07,211**
Tax expense			
Current Tax		-	2,04,24,470
Deferred Tax*		-	-
Total tax expense		**-**	**2,04,24,470**
Profit/(Loss) for the period		**(3,48,49,029)**	**5,54,82,741**
Other Comprehensive Income (OCI)			
Items not to be reclassified to profit or loss:			
Re-measurement gain /(loss) on employee defined benefit plans		-	(35,61,344)
Income tax effect on the above		-	-
Other comprehensive income for the period, net of tax		**-**	**(35,61,344)**
Total comprehensive gain/(loss) for the period		**(3,48,49,029)**	**5,19,21,397**

For MedPlus Health Services Limited

Sd/-
G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
4.	Right-of-use assets	83,87,80,746	82,43,97,283
		83,87,80,746	**82,43,97,283**
5.	**Investments**		
	Investments in subsidiaries carried at cost less impairment		
	a) Unquoted equity instruments		
	209,784,441 (March 31, 2023: 209,784,441) equity shares of Rs.10 each fully paid-up in Optival Health Solutions Private Limited	8,27,11,50,787	8,27,11,50,787
	7,010,000 (March 31, 2023: 7,010,000) equity shares of Rs.10 each fully paid-up in MHS Pharmaceuticals Private Limited	7,01,00,000	7,01,00,000
	6,860,000 (March 31, 2023: 6,860,000) equity shares of Rs.10 each fully paid-up in Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)	6,86,00,000	6,86,00,000
	14,077,350 (March 31, 2023: 14,077,350) equity shares of Rs.10 each fully paid-up in Wynclark Pharmaceuticals Private Limited (formerly known as Med supply Distributors Private Limited)	14,07,73,500	14,07,73,500
	10,000 (March 31, 2023: 10,000) equity shares of Rs.10 each fully paid-up in Clearancekart Private Limited	1,00,000	1,00,000
	10,000 (March 31, 2023: 10,000) equity shares of Rs.10 each fully paid-up in Clearancekart Private Limited	2,00,00,000	2,00,00,000
	386,636 (March 31, 2023: 386,636) equity shares of Rs.10 each fully paid-up in Kalyani Meditimes Private Limited	3,50,00,000	3,50,00,000
	Aggregate gross value on unquoted investments (A)	**8,60,57,24,287**	**8,60,57,24,287**
	Deemed investment		
	Optival Health Solutions Private Limited	62,83,33,774	59,12,25,350
	MHS Pharmaceuticals Private Limited	19,20,834	19,20,834
	Venkata Krishna Enterprises Private Limited	76,09,555	73,68,982
	Sidson Pharma Distributors Private Limited	3,87,517	3,37,042
	Aggregate value on deemed investments (B)	**63,82,51,680**	**60,08,52,208**
	Aggregate value on unquoted investments including deemed investments (C=A+B)	**9,24,39,75,967**	**9,20,65,76,495**
	Less: Impairment in value of investments	(3,50,00,000)	(3,50,00,000)
	Aggregate amount of impairment in value of investments (D)	**(3,50,00,000)**	**(3,50,00,000)**
	Total	**9,20,89,75,967**	**9,17,15,76,495**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
	Aggregate value on unquoted investments including deemed investme	9,24,39,75,967	9,20,65,76,495
	Aggregate fair value of quoted investments	-	-
	Aggregate provision for impairment in value of investments	(3,50,00,000)	(3,50,00,000)
	Movement in provision for impairment:	-	
	Opening balance	(12,57,73,500)	(12,57,73,500)
	Addition	-	-
	Deletion	-	-
	Closing balance	**(12,57,73,500)**	**(12,57,73,500)**
6.	**Loans**		
	Unsecured, considered Doubtful		
	Loan to Subsidiary	1,78,24,000	1,78,24,000
	Provision for Advances Recoverable	(1,78,24,000)	(1,78,24,000)
		-	-
7.	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits - Good	1,67,18,529	2,57,54,728
		1,67,18,529	**2,57,54,728**
	Unsecured, considered Doubtful		
	Receivable from related party	-	-
	Security deposits - Doubtful	1,02,59,643	4,59,643
		1,02,59,643	4,59,643
	Less: Provision for doubtful receivables	-	-
	Less: Provision for doubtful deposits	(1,02,59,643)	(4,59,643)
		-	-
	Total non-current	**1,67,18,529**	**2,57,54,728**
	Current		
	Unsecured, considered good		
	Bank Deposits with remaining maturity of less than 12 months	1,05,20,889	1,05,20,887
	Deposit with others	3,00,00,000	3,00,00,000
	Interest accrued on fixed deposits	44,86,180	48,31,861
	Advances to employees - Current	18,09,483	13,26,739
	Share issue expense receivable	89,37,759	89,37,759
	Total current	**5,57,54,311**	**5,56,17,246**
8.	**Non-current tax asset**		
	Unsecured, considered good		
	Advance Tax	2,90,97,754	2,46,80,877
	Total	**2,90,97,754**	**2,46,80,877**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
9.	**Other assets**		
	Non-current		
	Unsecured, Considered Good		
	Balances with statutory / government authorities	4,19,328	4,13,120
	Capital advances - non current	2,09,08,327	1,79,49,264
	Unsecured, considered doubtful		
	Balances with statutory / government authorities	1,14,973	1,14,973
		2,14,42,628	**1,84,77,357**
	Provision for doubtful balances	(1,14,973)	(1,14,973)
	Total non-current	**2,13,27,655**	**1,83,62,384**
	Current		
	Balances with statutory / government authorities	-	30,76,970
	Advance to vendors	8,78,03,444	9,82,95,408
	Prepaid expenses	57,46,380	42,33,946
	Total current	**9,35,49,824**	**10,56,06,323**
10.	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Raw material (including packing material)	5,88,10,225	5,12,12,963
	Work In Process	92,08,877	57,83,916
	Finished goods	71,56,592	52,40,088
	Stores and consumables	76,41,484	46,42,160
	Traded goods	1,406	922
		8,28,18,583	**6,68,80,048**
11.	**Trade receivables**		
	Non-current		
	Considered doubtful		
	Trade receivables considered good - unsecured	-	-
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	-	-
		-	-
	Less: Allowance for expected credit loss and credit impairment	-	-
		-	**-**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
	Current		
	Considered good		
	Related party	33,87,21,729	37,53,19,702
	Non Related party	14,46,652	16,13,048
	Trade receivables considered good - unsecured*	34,01,68,380	37,69,32,749
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	(8,15,377)	(8,15,377)
		33,93,53,003	**37,61,17,372**
	Total	**33,93,53,003**	**37,61,17,372**
12.	**Cash and cash equivalents**		
	Cash on hand	4,73,281	5,53,168
	Balances with banks		
	- On current accounts	38,51,741	1,08,83,032
	Bank deposits with original maturity of less than three months	43,69,99,997	34,56,00,600
		44,13,25,019	**35,70,36,800**
13.	**Other bank balances**		
	Bank deposits with original maturity of more than 3 months and less t	40,86,84,898	54,45,97,381
	Re-classified to other financial assets	-	-
		40,86,84,898	**54,45,97,381**
14.	**Equity Share capital**		
	Issued, subscribed and fully paid up shares		
	Opening share capital	23,86,11,352	23,86,11,352
	Less: amount recoverable from Medplus Employees Benefit Trust (ESOP Trust)	(4,970)	(4,970)
	Closing share capital	**23,86,06,382**	**23,86,06,382**
15.	**Other equity**		
	(i) Securities premium		
	Opening balance	11,87,70,19,626	11,83,55,40,286
	Add: Transferred from share based payment reserve upon exercise of options	-	3,07,75,822
	Add: Proceeds from issue of equity shares issued under ESOP's	-	1,07,03,518
		11,87,70,19,626	11,87,70,19,626
	Less: Amount recoverable from ESOP trust in kind	(7,74,35,956)	(7,74,35,956)
	Add: Share based payment reserve adjusted against securities premium	6,75,13,263	6,75,13,263
	Add: Proceeds from equity shares under ESOP's	70,49,536	70,49,536
		(28,73,157)	(28,73,157)
	Closing Balance	**11,87,41,46,469**	**11,87,41,46,469**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
15.	**Other equity (continued)**		
	(ii) Share based payment reserve		
	Opening balance	30,43,56,488	11,39,40,995
	Add: Gross compensation for options granted during the year	4,20,57,310	22,11,91,315
	Add: Impact of modification to ESOP Plan		-
	Less: Transfer to Security premium account	-	(3,07,75,822)
	Closing balance	**34,64,13,798**	**30,43,56,488**
	(iii) General reserve		
	Balance at the beginning of the year	35,50,25,034	35,50,25,034
	Add: Stock options lapsed	-	-
	Add: Fair value movement in the value of the CCPS transfer to gener	-	-
	Balance at the end of the year	**35,50,25,034**	**35,50,25,034**
	(iv) Capital reserve		
	Balance at the beginning of the year	76,18,368	76,18,368
	Add: Stock options lapsed	-	-
	Add: Fair value movement in the value of the CCPS transfer to gener	-	-
	Balance at the end of the year	**76,18,368**	**76,18,368**
	(v) Amalgamation adjustment account		
	Opening balance	(9,83,61,677)	(9,83,61,677)
	Add: Pursuant to a BTA	-	-
	Closing balance	**(9,83,61,677)**	**(9,83,61,677)**
	(vi) Retained earnings		
	Opening balance	(1,26,84,89,362)	(1,32,04,10,759)
	Profit/(Loss) for the year	(3,48,49,029)	5,54,82,741
	Other comprehensive income for the year	-	(35,61,344)
	Closing balance	**(1,30,33,38,391)**	**(1,26,84,89,362)**
	Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi))	**11,18,15,03,602**	**11,17,42,95,320**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
16.	**Trade payables**		
	Total outstanding dues to micro and small enterprises (MSME)	-	36,07,044
	- Total outstanding dues other than micro and small enterprises:		
	to related parties	-	13,61,104
	- to others	8,96,06,881	12,28,14,234
		8,96,06,881	**12,77,82,382**
17.	**Lease liabilities**		
	Non-current		
	Lease liabilities	83,37,34,121	80,81,52,418
		83,37,34,121	**80,81,52,418**
	Current		
	Lease liabilities	4,92,30,398	4,98,89,322
		4,92,30,398	**4,98,89,322**
18.	**Other financial liabilities**		
	Creditors for capital goods	71,79,516	2,02,00,914
	Employee dues payable	3,17,88,969	3,34,24,065
	Payable to related party	-	-
	Purchase consideration payable	17,59,90,001	17,59,90,001
		21,49,58,485	**22,96,14,980**
19.	**Provisions**		
	Non-current		
	Provision for gratuity	1,46,52,517	1,83,52,211
	Provision for compensated absences	-	-
		1,46,52,517	**1,83,52,211**
	Current		
	Provision for gratuity	14,47,580	14,47,580
	Provision for compensated absences	99,95,864	88,79,925
		1,14,43,444	**1,03,27,505**
20.	**Other current liabilities**		
	Statutory liabilities	1,31,43,374	2,10,17,842
		1,31,43,374	**2,10,17,842**
21.	**Contract liabilities**		
	Advance from customers	27,98,485	23,42,619
	Deferred revenue on Membership fees	4,02,18,330	3,90,55,946
		4,30,16,816	**4,13,98,565**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
22.	**Revenue from operations**		
a.	**Revenue from Operations**		
	Sale of services	13,89,88,674	30,55,56,881
	Sale of goods	55,19,53,713	1,71,82,12,010
b.	**Other operating revenue**		
	Management and administrative fees income	91,73,085	4,87,45,723
	Brand fee	1,88,03,782	6,67,59,718
		71,89,19,254	**2,13,92,74,332**
23.	**Other income**		
	Interest income		
	- On bank deposits	1,42,76,519	13,46,59,746
	- Others	6,80,537	74,88,106
	Rental income	22,91,086	63,14,890
	Financial guarantee income	-	14,68,150
	Liabilities no longer required written back	2,33,874	7,21,25,912
	Gain on de-recognition of Right-of-use assets	1,36,719	20,34,722
	Miscellaneous income	4,54,445	77,41,600
		1,80,73,180	**23,18,33,127**
24.	**Purchases of stock-in-trade**		
	Purchases of stock-in-trade	41,22,17,815	1,28,38,31,488
	Add: Carriage inwards	1,00,23,938	3,10,78,944
		42,22,41,753	**1,31,49,10,433**
25.	**Cost of materials Consumed**		
	Raw materials at the beginning of the year	5,58,55,122	3,19,35,423
	Add: Purchases	10,95,95,228	28,16,92,119
	Less: Raw materials at the end of the year	6,64,51,708	5,58,55,122
		9,89,98,642	**25,77,72,420**
26.	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the beginning of the year		
	Finished goods	52,40,088	48,58,457
	Work-in-progress	57,83,916	12,52,269
	Stock-in-trade	922	9,51,844
	Less : Inventories at the end of the year		
	Finished goods	71,56,592	52,40,088
	Work-in-progress	92,08,877	57,83,916
	Stock-in-trade	1,406	922
		(53,41,948)	**(39,62,357)**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
27.	**Employee benefits expense**		
	Salaries, wages and bonus	8,28,86,455	23,67,19,943
	Contribution to provident fund and other funds	49,22,809	1,20,45,639
	Gratuity expense	23,00,306	78,01,953
	Staff welfare expenses	28,12,899	68,05,655
	Share-based payment expense	46,57,837	1,80,66,391
		9,75,80,306	**28,14,39,581**
28.	**Depreciation expense**		
	Depreciation of property, plant and equipment	2,96,86,371	6,75,92,709
	Amortisation on Intangible asset	20,79,176	94,30,730
	Amortisation on right-of-use assets	2,36,07,250	7,60,46,022
		5,53,72,797	**15,30,69,461**
29.	**Finance costs**		
	Interest on lease liabilities	2,07,87,987	6,54,47,947
		2,07,87,987	**6,54,47,947**
30.	**Other expenses**		
	Rates and taxes	14,73,090	39,07,272
	Electricity charges	1,26,70,112	2,57,15,156
	Communication costs	6,01,463	16,27,106
	Travelling and conveyance	19,75,109	67,46,015
	Printing and stationary	13,99,135	76,23,134
	Legal and Professional charges - Doctors Fees	2,72,36,690	5,68,98,948
	Legal and professional charges	23,46,665	2,70,90,192
	Payment to auditors (refer details below)	3,00,000	17,05,500
	Directors Sitting Fees	5,50,000	48,50,000
	Insurance	5,57,856	29,79,889
	Repairs and maintenance		
	- Plant and machinery	65,14,519	1,45,16,263
	Advertisement and sales promotion	1,24,83,791	6,28,43,751
	Management and administrative fees	21,86,867	-
	Provision for doubtful debts	-	4,28,447
	Provision for doubtful deposits	98,00,000	-
	Provision for doubtful Advances	-	35,07,290
	Advances/debts written off	-	1,28,684
	Miscellaneous expenses	21,06,624	59,55,117
		8,22,01,927	**22,65,22,763**
	Payment to auditor		
	As auditors:		
	Statutory audit fee	3,00,000	15,00,000
	Reimbursement of expenses	-	2,05,500
		3,00,000	**17,05,500**

For MedPlus Health Services Limited

Sd/-
G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

GPHK & ASSOCIATES
Chartered Accountants

Phone 23260211, 23226061
e-mail gphkca@gmail.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of MHS Pharmaceuticals Private Limited

Report on the audit of the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of MHS Pharmaceuticals Private Limited ("the Company"), which comprise of balance sheet as at 31st March, 2023, the Statement of Profit and Loss (including the other comprehensive income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the Ind AS 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 Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Loss and total comprehensive income, changes in equity and its cash flows for the Year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No.43 of financial statements which describes proposed merger of the company with Holding Company i.e., Medplus Health Services Limited. Our opinion is not modified in respect of this matter.

Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include Ind AS 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 Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Contd 2

3-6-199, Fifth Floor, Dr Narsimha Reddy K Shamantha Reddy Estates, Himayath Nagar Main Road, Hyderabad-500029

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our 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.

Responsibilities of management for Ind AS financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management 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 Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing (SA's) 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

Contd 3

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that
   i. the back-up of Microsoft Excel Worksheets which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023 and
   ii. the back-up of Accounting Software which form part of the books of account has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 December 2022.

(c) The balance sheet, the statement of profit and loss, statement of changes in Equity and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.



Contd 4

(e) On the basis of the written representations received from the directors as on 31st March, 2023, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

(g) With respect to other matters to be included in the Auditor's report in accordance with requirements of section 197(16) of the act:
During the year company has not paid remuneration to its directors, accordingly reporting requirements on compliance of limits as laid down in section 197 are not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented to us that to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary, shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(ii) The management has represented to us that to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person (s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(iii) Based on information and explanation provided to us and other audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

GPHK & ASSOCIATES * Chartered Accountants * HYDERABAD

Contd 5

v. During the year, company has not declared any dividend.

for GPHK & ASSOCIATES
Chartered Accountants
[Firm Registration No. 008053S]



(K Naveen Kumar)
Partner
M. No. 216984
UDIN: 23216984BGWEJB5602

Place: Hyderabad
Date: 23rd May 2023

Annexure-A to the Auditor's Report

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 does not have any intangible assets, Accordingly, paragraph 3 (i)(a)(B) of the order is not applicable.

(b) According to the information and explanations provided to us, Property, Plant and Equipment have been physically verified by the management at intervals which in our opinion, 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) There are no immovable properties held by the company. Accordingly, paragraph 3 (i)(c) of the order is not applicable.

(d) According to the information and explanations provided to us, Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, paragraph 3 (i)(d) of the order is not applicable.

(e) Based on the information and explanation provided to us, no proceedings have been initiated or pending against the company under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, Accordingly, paragraph 3 (i)(e) of the order is not applicable.

ii. (a) The company has not dealt with inventory during the year and hence reporting under clause 3(ii)(a) of the order is not applicable.

(b) Company does not have sanctioned working capital limits during any point of time of the year, accordingly Paragraph 3(ii)(b) of the order is not applicable.

iii. According to the information and explanation given to us, during the year, Company has not made any investments, provided any guarantee or security, granted any loans or advances in the nature of loans Secured or Unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3(iii) of the order is not applicable.

iv. In our opinion and according to the information and explanation provided to us, the company has not granted any loans or made investments or provided any guarantee or security to the parties covered under section 185 and 186 of the companies' act, 2013. Accordingly, Paragraph 3(iv) of the order is not applicable.

v. In our opinion and according to the information and explanation provided to us the Company has not accepted any deposits or amounts deemed to be deposits. Accordingly, paragraph 3(v) of the order is not applicable.

vi. To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the activities of the Company. Accordingly, paragraph 3(vi) of the order is not applicable.

vii. According to the information and explanations given to us, in respect of Statutory dues:

(a) The company has been regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employees state insurance, income tax and other material statutory dues as applicable to it with appropriate authorities during the year and there were no arrears of such dues outstanding for a period of more than six months from the date, they became payable as on 31st March, 2023.

Contd. 2

(b) There are no dues of income tax or other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanation provided to us, no tax assessments were made during the year with respect to unrecorded income under the Income Tax Act, 1961, hence Paragraph 3(viii) of the order is not applicable.

ix. (a) Company does not have any loans or borrowings during the year, accordingly, paragraph 3(ix)(a) of the order is not applicable.

(b) Based on information and explanation provided to us, company is not declared as wilful defaulter by any bank or financial institution or other lenders.

(c) During the year, company has not raised any term loans, funds on short term basis, any funds from any entity or person on account of or to meet obligations of subsidiaries, associates or joint ventures and loans by way of pledge of securities held in its subsidiaries, Joint ventures or associate companies. Accordingly, paragraph 3(ix) (c)(d)(e)(f) of the order are not applicable.

x. (a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer during the year, accordingly, paragraph 3(x)(a) of the order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(x)(b) of the order is not applicable.

xi. (a) No fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the companies act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government.

(c) Based on information and explanation provided to us, no whistle-blower complaints have been received by the company. Accordingly, paragraph 3(xi) (c) of the order is not applicable.

xii. The company is not a Nidhi company. Accordingly, paragraph 3(xii)(a),(b),(c) of the order is not applicable.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards and provisions of section 177 is not applicable to company.

xiv. In our opinion and based on our examination, company is not required to have internal audit system as per the provisions of the companies Act 2013 and it does not have an internal audit system. Accordingly, paragraph 3(xiv)(b) of the order is not applicable.

xv. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

xvi. Based on the information and explanation provided to us, company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a),(b),(c),(d) of the order are not applicable.

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

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xvii. Company has not incurred cash losses in current financial year and in immediately preceding financial year.

xviii. There has been no resignation of statutory auditor during the year. Accordingly, paragraph 3(xviii) of the order is not applicable

xix. According to the information and explanation provided and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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. According to the information and explanations given to us with respect to Corporate Social responsibility obligation U/s. 135 (5) of the companies act, 2013 there is no amount remaining unspent at the end of the financial year with respect to other than ongoing projects. Company is not undertaking any ongoing projects, accordingly paragraphs 3(xx)(a)(b) of the order are not applicable.

for GPHK & ASSOCIATES
Chartered Accountants
[Firm Registration No. 008053S]



(K Naveen Kumar)
Partner
M. No. 216984

Place: Hyderabad
Date: 23rd May 2023

Annexure – B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MHS Pharmaceuticals Private Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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"). These responsibilities include 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 accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the standards on Auditing prescribed under section 143(10) of the Companies Act, 2013 and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting.

Contd 2

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the Ind AS financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future years are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note.

for GPHK & ASSOCIATES
Chartered Accountants
[Firm Registration No. 008053S]

(K Naveen Kumar)
Partner
M. No. 216984

Place: Hyderabad
Date: 23rd May 2023

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Balance sheet as at March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

	Notes	March 31,2023	March 31,2022
ASSETS			
Non Current Assets			
Property, plant and equipment	3	0.01	0.02
Right-of-use assets	39	16.07	28.96
Financial assets			
Others	4	2.38	2.64
Deferred tax Asset	16	2.60	2.90
Non-Current tax assets	6	0.72	0.59
		21.78	**35.11**
Current Assets			
Financial assets			
Trade receivables	7	45.93	48.02
Cash & cash equivalents	8	0.45	1.85
Others	4.b	0.09	-
BTA Consideration Receivable		175.99	175.99
Other current assets	5	0.62	0.56
		223.08	**226.42**
Total Assets		**244.86**	**261.53**
EQUITY and LIABILITIES			
Equity			
Equity share capital	9	70.10	70.10
Other equity	10	149.78	150.60
Total Equity		**219.88**	**220.70**
Liabilities			
Non Current Liabilities			
Financial liabilities			
Lease liabilities	12.a	16.98	30.32
Provisions	15.a	0.24	0.19
		17.22	**30.51**
Current Liabilities			
Financial liabilities			
Trade payables*	11		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.16	1.08
Lease Liabilites	12.b	7.45	9.05
Other Financial liabilities	13	0.01	0.05
Other current liabilities	14	0.07	0.09
Provisions	15.b	0.07	0.06
Current Tax liability	17	-	-
		7.76	**10.33**
Total Equity and Liabilities		**244.86**	**261.53**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984
Place: Hyderabad
Date : 23/05/2023

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
INCOME			
Revenue from Operations	18	-	70.06
Other Income	19	9.87	8.58
Total Income		**9.87**	**78.64**
EXPENSES			
Purchase of traded goods	20	-	65.29
Cost of materials Consumed	21	-	-
(Increase)/Decrease in inventories of finished goods,work in process	21	-	-
Employee Benefits Expense	22	0.67	0.76
Other Expenses	23	1.43	2.51
Finance Costs	24	3.39	4.81
Depreciation and Amortisation expense	25	4.88	5.87
Total Expenses		**10.37**	**79.24**
Profit/(loss) before tax from countinued operations		(0.50)	(0.60)
Tax Expense	27		
- Current tax		-	0.30
- Deferred tax		0.30	(0.39)
- Taxes of earlier years		0.02	0.79
Total tax expense		**0.32**	**0.70**
Profit/(loss) after tax from continued operations		(0.82)	(1.31)
Profit/(loss) after tax from discountinued operations		-	-
Profit/(loss) after tax from continued & discountinued operations		**(0.82)**	**(1.31)**
OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or (loss):			
Re-measurement gain /(loss) on employee defined benefit plans		-	-
Add: Deferred tax Credit /(Expense)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		**(0.82)**	**(1.31)**
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2022: Rs. 10/- each fully paid)	26		
Earnings per equity share from continuing operations			
Basic earnings per share (Rs.)		(0.11)	(0.19)
Diluted earnings per share (Rs.)		(0.11)	(0.19)
Earnings per equity share from discontinued operations			
Basic earnings per share (Rs.)		-	-
Diluted earnings per share (Rs.)		-	-
Earnings per equity share from continuing and discontinued operations			
Basic earnings per share (Rs.)		(0.11)	(0.19)
Diluted earnings per share (Rs.)		(0.11)	(0.19)
Summary of Significant Accounting Policies	2.2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Cash flow statement for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	(0.50)	(0.60)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	0.01	0.01
Amortization of right of use asset	4.87	5.86
Provision for gratuity and leave benefits	0.05	0.09
Interest expense	3.39	4.81
Interest income	(0.18)	(0.23)
Loss on sale and discard of fixed assets	-	-
Profit/(loss) on disposal of discountinued operations	-	-
Unrealized Foreign exchange fluctuation loss	-	0.14
Gain on De Recognition of ROU Assets	(2.26)	(0.08)
Liabilities no longer required written back	(0.07)	-
Operating profit before working capital changes	5.31	10.00
Movements in working capital:		
Increase in inventories	-	-
Decrease/(increase) in non-current financial assets	0.33	0.04
Decrease/(increase) in current financial assets	2.00	15.11
Decrease/(increase) in other assets	(0.06)	1.32
Increase/(decrease) in current financial liabilities	(0.89)	(8.34)
Increase/(decrease) in provisions	0.01	(0.00)
Increase in other current liabilities	(0.02)	(1.03)
Cash generated from operations	6.68	17.09
Direct taxes paid (net)	(0.15)	(7.22)
Net cash from operating activities (A)	6.53	9.87
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	-	-
Interest Income received	0.11	0.06
Net cash used in investing activities (B)	0.11	0.06
Cash flows from financing activities		
Repayment of lease liability	(4.65)	(4.34)
Interest paid	(3.39)	(4.81)
Net cash from/(used in) financing activities (C)	(8.04)	(9.15)
Net increase in cash and cash equivalents (A+B+C)	(1.40)	0.78
Net increase in cash and cash equivalents discontinued operations	-	-
Cash and cash equivalents at the beginning of the year	1.85	1.07
Cash and cash equivalents at the end of the year	0.45	1.85
Components of cash and cash equivalents		
Cash on hand	0.01	0.01
Balance with banks in current accounts	0.44	1.84
Total cash and cash equivalents (refer note no.8)	0.45	1.85
Cash and cash equivalents for Cash Flow Statement	0.45	1.85
Summary of significant accounting policies 2.2		

Notes:The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
The accompanying notes are an integral part of these financial statements
As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Statement of Changes in equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

a. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up		
Balance As at April 01, 2021	Changes in Equity during the year	Balance as at March 31, 2022
70.10	-	70.10
Balance As at April 01, 2022	Changes in Equity during the year	Balance as at March 31, 2023
70.10	-	70.10

b. Other Equity

	Capital contribution for share based payments	Reserves and surplus			Other Comprehensive Income		Total
		Securities Premium	General reserve	Retained Earnings	Not reclassified to Profit & Loss account	Reclassified to Profit & Loss account	
As at April 01, 2021	1.92	-	-	150.94	(0.95)	-	151.90
Share based payments	-	-	-	-	-	-	-
Profit for the year	-	-	-	- 1.31	-	-	(1.31)
Stock option lapsed	(1.92)	-	1.92	-	-	-	-
At March 31, 2022	-	-	**1.92**	**149.63**	**(0.95)**	-	**150.60**
As at April 01, 2022	-	-	1.92	149.63	(0.95)	-	150.60
Share based payments	-	-	-	-	-	-	-
Profit for the year	-	-	-	- 0.82	-	-	(0.82)
At March 31, 2023	-	-	**1.92**	**148.81**	**(0.95)**	-	**149.78**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008063S

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas	**C Bhaskar Reddy**
Director	Director
DIN: 00898824	DIN: 00926550

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

1. Corporate information

MHS Pharmaceuticals Private Limited (the 'Company') was incorporated on June 12, 2008 and is a Company registered under Indian Companies Act, applicable in India. The Company is engaged in the business of distribution of medicines, general items.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements are prepared as per Division II of Schedule III to Companies Act, 2013.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting year beginning on or after April 1, 2021. The amendment encompasses significant additional disclosure requirements and includes certain changes to the existing disclosures.The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013 while preparing these Financial Information.

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these standalone financial statements.

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting year,

(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.

Functional Currency and Presentation Currency:

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest rupee millions (Rs.0,00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current and non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

All other assets are classified as non-current.

A liability is classified as current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. **Foreign currencies**

Initial recognition

Transactions in foreign currencies are translated into functional currency of the company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recognized on initial recognition during the year or in previous financial statements are recognised in the statement of profit and loss in the year in which they arise.

c. **Fair Value Measurement**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned below. 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The Company's Board of Directors determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Fair Value Measurement

At each reporting date, the Board of Directors analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Board of Directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Board of Directors, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental Income is accounted on accrual basis

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management yearically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction(other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

the entity recognizes a deferred tax asset arising from unused tax losses only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilized by the entity

'Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards, if any

f. **Property, Plant and Equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

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 entity and the cost can be measured reliably.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)
Furniture and fixtures	10
Electrical equipment	10
Vehicles	10
Office Equipment	05
Data Processing Equipment	3-6
Plant and equipment	15
Right of Use Asset	Based on lease term

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. **Intangible assets**

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Intangible assets of the Company represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

h. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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i. **Leases**

Adoption of Ind AS 116 Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, resentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting year beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, or changed, on or after 1 April 2019. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is yearically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate(group rate). The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

j. **Inventories**

Inventories comprise of traded goods and stores and spares and are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business reduced by the estimated costs to affect the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

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k. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

l. Provisions and contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

m. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Defined benefit plans

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other Short term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Employee share based payments

Employees of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Where the share based payment is settled by Holding Company on behalf of this company then the cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year 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 year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

n. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are adjusted to fair value at initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it valuates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables , the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade, other payables and lease liabilities

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company senior management determines change in the business model as a result of external or internal changes which are significant to the Company operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

In case of Discontinued operations Earnings per share will be presented separately for continued operations and discontinued operations

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

q. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

r. **Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting year, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

s. **Discontinued operations**

A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) represents a separate major line of business or geographical area of operations,

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

(c) is a subsidiary acquired exclusively with a view to resale.

The Company will present:

(a) a single amount in the statement of profit and loss comprising the total of:

(i) the post-tax profit or loss of discontinued operations and

(ii) the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

An analysis of statement of profit and loss of discontinued operations will be presented separately in the notes to accounts

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Notes to financial statements for the Year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

3. Property, plant and equipment	Plant and equipment	Total tangible assets
Gross carrying value		
As at April 1, 2021	0.03	0.03
Additions	-	-
Disposals	-	-
Transfer on account of BTA	-	-
As at March 31, 2022	0.03	0.03
Additions	-	-
Disposals	-	-
Transfer on account of BTA	-	-
As at March 31, 2023	0.03	0.03
Depreciation		
As at April 1, 2021	-	-
Charge for the year	0.01	0.01
Disposals	-	-
As at March 31, 2022	0.01	0.01
Charge for the period	0.01	0.01
Disposals	-	-
As at March 31, 2023	0.02	0.02
Net Block		
As at March 31, 2022	0.02	0.02
As at March 31, 2023	0.01	0.01

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

9 Equity share capital

	March 31, 2023	March 31, 2022
Authorised shares (No.s)		
70,10,000 Nos (March 31,2022:70,10,000 Nos) equity shares of Rs.10/- each	70.10	70.10
Issued, subscribed and fully paid up shares (No.s)		
70,10,000 Nos (March 31,2022:70,10,000 Nos) equity shares of Rs.10/- each	70.10	70.10

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2023		March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the	70,10,000	70.10	70,10,000	70.10
Issued during the year	-	-	-	-
Outstanding at the end of the year	70,10,000	70.10	70,10,000	70.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	March 31, 2023	March 31, 2022
MedPlus Health Services Private Limited, the holding company		
70,10,000 (March 31,2022: 70,10,000) equity shares of Rs. 10 each fully paid	70.10	70.10

(d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2023		March 31, 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10/- each fully paid up				
MedPlus Health Services Private Limited, the holding company	70,10,000	100%	70,10,000	100%

*Out of the above 70,10,000 equity shares two shares held in the name of R P Srinivas, beneficial Owner for the same is MedPlus Health Services Limited, the holding company

As per records of the Company, including its register of shareholders / members, the above shareholding represents the legal and beneficial ownership of shares.

(e) Shares held by Promoters

March 31, 2023

Sl No	Promoters Name	No. of shares	% of total shares	%of change
1	MedPlus Health Services Limited	70,10,000	100%	-
	Total	**70,10,000**	**100%**	-

March 31, 2022

Sl No	Promoters Name	No. of shares	% of total shares	%of change
1	MedPlus Health Services Limited	70,10,000	100%	-
	Total	**70,10,000**	**100%**	-

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

4 Other financial assets

	March 31,2023	March 31,2022
Non-Current		
Deposits		
Unsecured, considered good		
Security Deposits	2.38	2.64
	2.38	**2.64**
Doubtful		
Security Deposits	0.66	0.66
Provision for Doubtful Advances	(0.66)	(0.66)
	-	-
	2.38	**2.64**
b.Current		
Accured Income	0.09	-
	0.09	**-**

5 Other assets

Current	March 31,2023	March 31,2022
Other Advance recoverables from creditors	0.05	0.09
GST Receivable	0.57	0.47
	0.62	**0.56**

6 Non-Current Tax Assets

	March 31,2023	March 31,2022
Advance income tax (including TDS receivable)	0.72	0.59
	0.72	**0.59**

7 Trade receivables

	March 31,2023	March 31,2022
Current		
Unsecured, considered good		
Receivable from relatedparties	45.93	48.02
Receivable from Others	-	-
Total	**45.93**	**48.02**

Refer note:29 ageing Schedule

8 Cash and cash equivalents

	March 31,2023	March 31,2022
Cash and cash equivalents		
Balances with banks		
- On current accounts	0.44	1.84
Cash on Hand	0.01	0.01
Deposits with remaining maturity for less than 12 months	-	-
Total	**0.45**	**1.85**

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

10 Other Equity

	March 31,2023	March 31,2022
Share based payments		
Opening balance	-	1.92
Add: Stock option granted	-	-
Less: Stock option expenses	-	(1.92)
Less: Options lapsed transfer to general reserve	-	-
Closing balance	-	-
General reserve		
Opening balance	1.92	-
Add: transfer from sharebased payments	-	1.92
Closing balance	**1.92**	**1.92**
Retained Earnings		
Balance as per last financial statements	149.63	150.94
Profit/Loss for the year	(0.82)	(1.31)
	148.81	**149.63**
Other comprehensive income		
Balance as per last financial statements	(0.95)	(0.95)
Other comprehensive income for the year	-	-
Closing balance	**(0.95)**	**(0.95)**
Total Other equity	**149.78**	**150.60**

11 Trade Payables

	March 31,2023	March 31,2022
Payable to others		
Total outstanding dues of micro enterprises and small enterprises (refer note:34)	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	0.15	0.99
Payable to Related Parties	-	0.09
Refer note:29 ageing Schedule		
Subtotal	0.15	1.08
Total	**0.15**	**1.08**

12 Lease Liabilities

	March 31,2023	March 31,2022
a.Non-current		
Long term Lease Liability	16.98	30.32
	16.98	**30.32**
b.Current		
Short term Lease Liability	7.45	9.05
	7.45	**9.05**

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

13 Other Financial Liabilities

	March 31,2023	March 31,2022
Payables for salaries, wages and bonus	0.01	0.02
Other payables	-	0.03
	0.01	**0.05**

14 Other Current Liabilities

	March 31,2023	March 31,2022
Statutory liabilities	0.07	0.09
	0.07	**0.09**

15 Provisions

a. Non- Current

	March 31,2023	March 31,2022
Provision for gratuity	0.24	0.19
	0.24	**0.19**

b. Current

	March 31,2023	March 31,2022
Provision for gratuity	-	-
Provision for leave benefits	0.07	0.06
	0.07	**0.06**

16 Deferred tax Asset/ Liability

	March 31,2023	March 31,2022
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.07	0.05
Others	2.53	2.85
	2.60	2.90

17 Current tax liabilities

	March 31,2023	March 31,2022
Provision for Tax	-	-
	-	-

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

18. Revenue from Operations	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sale of traded goods	-	70.06
Total	-	70.06

19. Other income	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest income on		
Bank deposits	-	0.06
Others	0.18	0.17
Rent Income	7.17	8.27
Liabilities no longer required written back	0.07	-
Gain on De Recognition of ROU Assets	2.45	0.08
Miscellaneous Income	-	-
Total	9.87	8.58

20. Purchase of traded goods	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Traded goods		
Purchases	-	65.29
Add: Carriage inwards	-	-
	-	65.29

21. (Increase)/Decrease in inventories of finished goods,work in process and traded goods	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Inventories at the beginning of the year		
Traded goods	-	-
Total	-	-
Less : Inventories at the end of the year		
Traded goods	-	-
Total	-	-
(Increase)/Decrease in inventories	-	-

22. Employee benefits expense	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries, wages and bonus	0.59	0.55
Contribution to provident fund & other funds	0.03	0.03
Gratuity expense	0.05	0.08
Staff welfare expenses	-	0.10
	0.67	0.76

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

23. Other expenses

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Lease rent	0.24	0.27
Rates and taxes	0.01	0.04
Electricity charges	-	(0.01)
Communication	0.02	0.07
Travelling and conveyance	-	-
Printing and stationary	-	-
Legal and professional charges	0.27	0.41
Payment to auditors (refer details below)	0.08	0.27
Insurance	-	0.06
Repairs and maintenance	0.05	0.22
Bank charges	0.02	0.09
Foreign exchange fluctuation loss (net)	-	0.14
Corporate Social Responsibility Expense	0.74	0.95
Miscellaneous expenses	-	-
	1.43	**2.51**

Payment to auditor

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
As auditors:		
Audit fee	0.08	0.10
Other Audit fee	-	0.08
Certification Fee	-	0.10
	0.08	**0.27**

24. Finance costs

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest on lease liability	3.39	4.81
	3.39	**4.81**

25. Depreciation and amortization expense

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation of Property Plant and Equipment	0.01	0.01
Amortization of right of use asset	4.87	5.86
	4.88	**5.87**

FOR

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

26. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit/(Loss) countinued operations attributable to equity holders of the Company for basic and diluted earnings per share	(0.82)	(1.31)
Profit/(Loss) discountinued operations attributable to equity holders of the Company for basic and diluted earnings per share	-	-
Profit/(Loss) countinued and discountinued operations attributable to equity holders of the Company for basic and diluted earnings per share	(0.82)	(1.31)
Weighted average number of equity shares in computing basic and diluted EPS	70,10,000	70,10,000
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
Earnings per equity share from continuing operations		
- Basic (Rs.)	(0.11)	(0.19)
- Diluted (Rs.)	(0.11)	(0.19)
Earnings per equity share from discontinued operations		
- Basic (Rs.)	-	-
- Diluted (Rs.)	-	-
Earnings per equity share from continuing and discontinued operations		
- Basic (Rs.)	(0.11)	(0.19)
- Diluted (Rs.)	(0.11)	(0.19)

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

27. Taxes Continued operations

(a) The major components of income tax expenses from Continued operations for the year ended March 31, 2023 and for the year ended March 31, 2022 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
Current income tax charge	-	0.30
Interest on income tax	-	-
Adjustment of current income tax relating to earlier years	0.02	0.79
Deferred tax		
Relating to origination and reversal of temporary differences	0.30	(0.39)
Total income tax expense recognised in statement of Profit & Loss	**0.32**	**0.70**

(ii) OCI Section Continued operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax		
Net gain on remeasurement of defined benefit plans	-	-
Income tax charged to OCI	-	-

(b) Reconciliation of tax expense and the accounting profit from Continued operations multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2023:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	(0.50)	(0.60)
Enacted tax rate in India	25.17%	25.17%
Expected tax expenses	(0.13)	(0.15)
Tax effect on non-deductible expenses	0.01	(0.11)
Tax effect on Depreciation expense	-	-
Tax effect on Ind AS 116	0.05	0.38
Tax effect on Permanent difference	0.07	0.18
Total Tax expense (C+D)	**0.00**	**0.30**
Effect of Deferred tax	0.30	(0.39)
Adjustments in respect of current income tax of previous year	0.02	0.79
Adjustments in respect of interest on income tax for current year	-	-
Total	**0.32**	**0.70**
Tax expense as per Statement of Profit and Loss Account ((a)(i))	**0.32**	**0.70**

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

(c) The major components of deferred tax (liabilities)/assets arising on account of timing differences from Continued operations are as follows:

As at March 31, 2023	Balance Sheet March 31, 2022	Profit and Loss 2022-23	OCI 2022-23	Balance Sheet March 31, 2023
Deferred tax asset				
property, plant and equipment as per books of accounts and as per Income Tax Act, 1961	(0.00)	(0.00)	-	0.00
Provision for expenses allowed for tax purpose on payment basis	0.05	(0.02)	-	0.07
Remeasurement benefit of the defined benefit plans through OCI	0.04	-	-	0.04
IND AS 116: Leases	2.64	0.31	-	2.32
Others	0.17	0.00	-	0.17
Deferred tax benefit/(expense)		0.30	-	
Deferred tax asset	2.90			2.60

d) The major components of deferred tax (liabilities)/assets arising on account of timing differences from Continued operations

As at March 31, 2022	Balance Sheet March 31, 2021	*Profit and Loss 2021-22	OCI* 2021-22	Balance Sheet March 31, 2022
Deferred tax asset				
Difference between depreciation on property, plant and equipment as per books of accounts and as per Income Tax Act, 1961	0.00	0.00	-	(0.00)
Provision for expenses allowed for tax purpose on payment basis	0.03	(0.02)	-	0.05
Remeasurement benefit of the defined benefit plans through OCI	0.04	0.00	0.00	0.04
IND AS 116: Leases	2.25	(0.38)	-	2.64
Others	0.19	0.01	-	0.17
Deferred tax benefit/(expense)		(0.39)	0.00	
Deferred tax asset	2.51			2.90

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

28 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	March 31,2023	March 31,2022
Current Assets	223.08	226.42
Current Liabilities	7.76	10.33
Ratio (times)	28.75	21.93
% Change from previous year	31.10%	

Reason for change more than 25%:

This ratio has increased from 21.93 in March 2022 to 28.75 in March 2023 mainly due to decrease in current liabilities

b) Debt Equity ratio - Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

*Company does not have any debt as on March 31,2022 and March 31,2023. Hence this ratio not applicable

Note: Lease liabilities are not considered as debt for this ratio calculation

c) Debt Service Coverage Raüo = Earnings available for debt services divided by Total interest and principal repayments

*Company does not have any debt as on March 31,2022 and March 31,2023. Hence this ratio not applicable

Note: Lease liabilities are not considered as debt for this ratio calculation

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity

Particulars	March 31,2023	March 31,2022
Net profit after tax	(0.82)	(1.31)
Average Equity	220.29	221.35
Ratio (percentage)	-0.37%	-0.59%
% Change from previous year	-37.24%	

Average equity means Average of Equity as on beginning and end of year

Reason for change more than 25%:

This ratio has increased from -0.59% in March 2022 to 0.37% in March 2023 mainly due to decrease in loss.

e) Inventory Turnover Ratio = Cost of materials consumed divided by Average inventory

Particulars	March 31,2023	March 31,2022
Cost of materials consumed	-	65.29
Average Inventory	-	-
Inventory Turnover Ratio (times)		
% Change from previous year	N/A	

Average inventory means Average of inventory as on beginning and end of the year

f) Trade Receivables turnover ratio = Revenue from operations divided by Average trade receivables

Particulars	March 31,2023	March 31,2022
Revenue from operations	-	70.06
Average Trade Receivables	46.98	48.82
Ratio (times)	-	1.43
% Change from previous year	-100.00%	

Average Trade receivables means Average of Trade receivables as on beginning and end of the year

Reason for change more than 25%:

This ratio has decreased from 1.43 in March 2022 to 0.00 in March 2023 mainly due to no revenue in current year.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

g) Trade payables turnover ratio - Purchases divided by Average trade payables

Particulars	March 31,2023	March 31,2022
Purchases	-	65.29
Average Trade Payables	4.73	5.19
Ratio (times)	-	12.57
% Change from previous year	-100.00%	

Average Trade payables means Average of Trade payables as on beginning and end of the year

Reason for change more than 25%:

This ratio has decreased from 12.57 in March 2022 to 0.00 in March 2023 mainly due to no purchases during the year.

h) Net capital Turnover Ratio = Revenue from operations divided by Net working capital whereas Net working capital= Current assets-Current liabilities

Particulars	March 31,2023	March 31,2022
Revenue from operations	-	70.06
Net working capital	215.32	216.09
Ratio (times)	-	0.32
% Change from previous year	-100.00%	

Reason for change more than 25%:

This ratio has decreased from 0.32 in March 2022 to 0.00 in March 2023 mainly due to no revenue in current year.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	March 31,2023	March 31,2022
Net profit after tax	(0.82)	(1.31)
Sales	-	70.06
Ratio (percentage)	N/A	-1.87%
% Change from previous year	N/A	

j) Return on Capital employed (pre cash)=Earnings before interest and taxes (EBIT) divided by Capital Emplo

Particulars	March 31,2023	March 31,2022
Porfit before tax (A)	(0.50)	(0.60)
Finance Costs (B)	-	-
EBIT (C) =(A)+(B)	**(0.50)**	**(0.60)**
Capital Employed (Pre Cash) (H)=(D)+(E)-(F)-(G)	**219.88**	**220.70**
Debt (D)	0.00	0.00
Equity (E)	219.88	220.70
Goodwill (F)	0.00	0.00
Other intangible assets (G)	0.00	0.00
Ratio (C)/(H) (percentage)	-0.23%	-0.27%
% Change from previous year	-16.54%	

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29 Trade Receivable Ageing Schedule:

As at March 31,2023

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed Trade receivables-Considered good	-	1.35	-	44.58	-	-	45.93
(ii) Undisputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
Total	-	1.35	-	44.58	-	-	45.93

As at March 31,2022

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed Trade receivables-Considered good	-	-	48.02	-	-	-	48.02
(ii) Undisputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
Total	-	-	48.02	-	-	-	48.02

Trade payables ageing schedule:

As at March 31,2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i)MSME	-	-	-	-	-	-
(ii)Others	0.08	0.07	0.00	-	-	0.16
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	0.08	0.07	0.00	-	-	0.16

As at March 31,2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i)MSME	-	-	-	-	-	-
(ii)Others	0.18	0.90	0.01	-	-	1.08
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	0.18	0.90	0.01	-	-	1.08

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

30. Significant accounting, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

-Note 2.2k -Impairment of non-financial assets
-Note 2.2m -Defined benefit plans
-Note 2.2c -Fair value measurement of financial instruments
-Note 2.2n -Impairment of financial assets
-Note 2.2j -Inventories
-Note 2.2i -leases
-Note 2.2e -Valuation of deferred tax assets and liabilities

31. Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Company has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	0.29	0.20
Current service cost	0.06	0.09
Past service cost		
Interest on defined obligations	-	-
Benefits paid	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)		
Re-measurements due to:		
Remeasurements- due to change in assumptions	-	-
Actuarial (gain)/loss due to demographic assumptions		
Remeasurements- due to experience adjustment	-	-
Defined benefit obligations at the end of the year	**0.35**	**0.29**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	0.11	0.10
Employer contributions	0.00	0.00
Interest on plan assets	0.01	0.01
Benefits paid	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase/(Decrease) due to plan combination		
Remeasurements-return on plan assets	-	-
Plan assets at the end of the year	**0.11**	**0.11**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	0.06	0.09
Past service cost	-	-
Interest on net defined benefit liability, net	-	-
Excepted return on plan assets	(0.01)	(0.01)
Net actuarial gain/(loss) to be recognised		
Gratuity cost recognised in statement of profit and loss	**0.05**	**0.08**
Remeasurement on the net defined benefit liability:		
Remeasurements- due to change in assumptions	-	-
Remeasurements- due to experience adjustment	-	-
Remeasurements-return on plan assets	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	0.35	0.29
Fair value of plan assets	(0.11)	(0.11)
Net defined benefit liability recognised	**0.24**	**0.19**

B. Defined Contribution Plan

a. Provident fund & Other benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year aggregated to Rs. 0.03 millions (March 31, 2022: Rs.0.03 millions) and is included in "contribution to provident and other funds".

II. Leave Encashment

The employees of the Company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leaves is recognized in the year in which the absences occur.

32. Employee stock option plan

The Holding Company (MedPlus Health Services Private Limited) instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors of holding company approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees of the group companies. The options vest over a year of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares.

The Holding Company has granted 25 shares to the employees of the company

The Company has recognised the cost of options granted, as equity settled share based payments scheme in accordance with Ind AS 102 - Share based payments, and the Company share of the cost of fair value of the options has been accounted based on the advice by Holding Company.

The holding company revised Exercise price per share from Rs.43,562 to Rs.10. The effect on revised exercise price charged to Profit and loss account

In accordance with Ind AS 102, the Company has recognised an amount of Rs.Nil (March 31, 2022: Nil) by way of share based payments. Such charge has been recognised as employee benefits expense with corresponding credit to share based payments reserve.

During the previous year, employee to whom ESOPS are alloted by the Parent of Holding company exercised the option and ESOPS reserve amount transferred to general reserve.

33. Capital and other commitments

A. Capital Commitments

As at March 31, 2023 the company has commitments of Nil (March 31, 2022 :Rs.Nil) relating to contracts remaining to be executed on capital account

34. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	March 31,2023	March 31,2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSM	-	-

Note : This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

35. Related party Disclosure

(a) Names of related parties and related party relationship

Parent of Holding Company & Ultimate Holding Company : MedPlus Health Services Limited
(Formerly known as Medplus Health Services Private Limited into MedPlus Health Services Limited w.e.f June 28. 2021)

(ii) Fellow subsidiaries

1. Sai Sridhar Pharma Private Limited
2. Venkata Krishna Enterprises Private Limited
3. Deccan Medisales Private Limited
4. Shri Banashankari Pharma Private Limited
5. Sidson Pharma Distributors Private Limited
6. Optival Health Solutions Private Limited
7. Nova Sud Pharmaceuticals Private Limited (Formerly known as Panindia Pharma Distributors Private Limited)
8. Wynclark Pharmaceuticals Private Limited (Formerly known as Medsupply Distributors Private Limited)
9. Kalyani Meditimes Private Limited
10. ClearanceKart Private Limited (w.e.f March 09. 2021)
11. MedPlus Insurance Brokers Private Limited (w.e.f Julv 14. 2022)

iii) Key management personnel

C. Bhaskar Reddy-Director
P. Srinivas-Director
B. Prasad Reddy-Director (with effect from September 29, 2021)

(b) Related party transactions during the year ended

	March 31,2023	March 31,2022
(i) Related parties where control exists		
1. MedPlus Health Services Limited		
Management services received	-	0.08
Rent expense	-	-
Sale of traded goods	-	-
Rent Income	7.17	8.27
Sale of Asset	-	-
Employees Stock Option Outstanding	-	-
Business Transfer	-	-
Reimbursement by Medplus	0.17	0.81
(ii) Fellow Subsidiaries		
1. Optival Health Solutions Private Limited		
Sale of traded goods	-	70.06
Sale of maintenance Items	-	-
Rent expense	0.24	0.26

(c) Balances outstanding as at debit/(credit)

	March 31,2023	March 31,2022
(i) Related parties where control exists		
MedPlus Health Services Limited		
Rent	1.36	(0.09)
Business Transfer agreement receivable	175.99	175.99
(ii) Fellow Subsidiaries		
1. Optival Health Solutions Private Limited	44.57	48.02

36. Fair Values

Refer Note 2.2 (n) for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	March 31,2023	March 31,2022	March 31,2023	March 31,2022
Financial assets				
Financial assets at amortised cost:				
a) Trade receivable	45.93	48.02	45.93	48.02
b) Cash and cash equivalents	0.45	1.85	0.45	1.85
c) Other Financial Assets	2.47	2.64	2.47	2.64
Total Financial assets	48.85	52.51	48.85	52.51
Financial liabilities				
Financial liabilities at amortised cost:				
Non-Current Financial liabilities				
a) Other Financial Liabilities	16.98	30.32	16.98	30.32
Current Financial liabilities				
a) Trade payables	0.16	1.08	0.16	1.08
b) Other Financial Liabilities	7.46	9.10	7.46	9.10
Total Financial Liabilities	24.60	40.50	24.60	40.50

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

37. Fair value hierarchy

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

38. Financial risk management

The Company's principal financial liabilities comprise lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include lease rental deposits, trade receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Trade and other receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on yearic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 45.93 millions and Rs. 48.02 millions as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 Days	>180 Days	Total
As at March 31,2023	1.35	44.58	45.93
As at March 31,2022	48.02	-	48.02

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, support from group companies by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31,2023:				
Borrowings	-	-	-	-
Trade payables	0.16	-	-	0.16
Lease liabilities	7.45	16.98	-	24.43
Other Financial liabilities	0.01	-	-	0.01
	7.62	**16.98**	-	**24.60**

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:				
Borrowings	-	-	-	-
Trade payables	1.08	-	-	1.08
Lease liabilities	9.05	29.80	0.52	39.37
Other Financial liabilities	0.05	-	-	0.05
	10.18	**29.80**	**0.52**	**40.50**

39. Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the rightof-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on whichit 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

Class :Building

a	Movement of Right to Use [RoU] asset	March 31,2023	March 31,2022
	Opening Balance	28.96	35.42
	Add:Additions to ROU	-	-
	Less:Deletions to ROU	8.03	0.59
	Less: Depreciation Charge for the year	4.87	5.86
	Carrying amount of ROU asset at year end	16.07	28.96

b. Lease payments during the year have been disclosed under financing activities in the Statement of Cash flows.

c. The aggregate amount of lease payments under short term leases recognized in the statement of profit and loss is Rs.0.24millions (March 31,2022 Rs.0.27 millions)

40. Details of CSR expenditure

	March 31,2023	March 31,2022
(i) Amount required to be spent by the Company during the year	0.74	0.95
(ii) Amount of expenditure incurred during the year	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.74	0.95
(iii) Shortfall at the end of the year	-	-
(iv) Total of Previous year shortfall	-	-
(v) reason for shortfall	-	-
(vi) Nature of CSR activities		
a) Contribution to Prime Minister's National Relief Fund	0.00	0.25
b) Health Care	0.74	0.70
(vii) Details of related party transactions	-	-
(viii) Details of CSR Provision	-	-
Opening Balance	-	-
Less: Amount spent	-	-
Closing balance	-	-

41. Other Disclosures:

Disclosure of Struck off Companies

(i) On the basis of information available with company, following are the details of transactions entered into by the company with the companies struck off under section 248 of the Companies Act 2013:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022
Nil			

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act. 1961

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

42. Previous year figures have been regrouped / reclassified, where necessary, to confirm to current year's classification

43. During the year, Board of Directors in a meeting held on January 09, 2023 approved the scheme of Merger between the Company and holding company i.e.MedPlus Health Services Limited pursuant to provisions of section 230 to Section 232 and Other applicable provisions of companies act, 2013 related rules, regulations, Memorandum of Association and Articles of Association. Pending approval from authorities no adjustment were made to financial statements.

As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS Pharmaceuticals Private Limited
Unaudited Balance sheet as at June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Notes	As at June 30, 2023	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2	12,873	14,250.00
Right-of-use assets		1,49,31,983	1,60,65,731
Financial assets			
Other financial assets	4	24,24,585	23,84,696
Other assets	5	-	-
Non-current tax assets	6	8,96,706	7,16,145
Deferred tax assets	16	26,03,556	26,03,556
		2,08,69,703	**2,17,84,378**
Current assets			
Financial assets			
Trade receivables	7	4,31,66,786	4,59,25,202
Cash and bank balances	8	25,44,241	4,56,959
Other financial assets	4	-	91,468
BTA Consideration Receivable		17,59,90,001	17,59,90,001
Other Current assets	5	6,39,886	6,23,695
		22,23,40,914	**22,30,87,325**
TOTAL		**24,32,10,617**	**24,48,71,703**
Equity and liabilities			
Equity			
Equity Share capital	9	7,01,00,000	7,01,00,000
Other Equity	10	14,94,25,681	14,98,11,554
		21,95,25,681	**21,99,11,554**
Non-current liabilities			
Financial Liabilities			
Lease Liability	14	1,57,47,463	1,69,76,941
Provisions	11	2,39,904	2,39,904
		1,59,87,367	**1,72,16,845**
Current liabilities			
Financial Liabilities			
Trade payables	12	1,08,257	1,46,826
Other current financial liabilities	13	12,122	12,122
Lease Liability	14	74,45,314	74,45,314
Other current liabilities	15	78,642	73,196
Provisions	11	53,234	65,845
		76,97,569	**77,43,303**
TOTAL		**24,32,10,617**	**24,48,71,702**

For MHS Pharmaceuticals Private Limited

Sd/-

P Srinivas
Director
DIN: 00898824

MHS Pharmaceuticals Private Limited

Unaudited Statement of profit and loss for the Period June 30, 2023

(All amounts in Indian Rupees except as otherwise stated)

	Notes	For year End June 30, 2023	For year End March 31, 2023
Income			
Revenue from operations	17	-	-
Other income	18	17,54,002	98,76,807
Total revenue		**17,54,002**	**98,76,807**
Expenses			
Employee benefit expenses	19	1,57,245	6,69,678
Other expenses	20	1,57,073	14,21,919
Finance costs	21	6,90,432	33,94,806
Depreciation and amortization expense	22	11,35,125	48,73,268
Total		**21,39,875**	**1,03,59,671**
Profit before tax		**(3,85,873)**	**(4,82,864)**
Tax expenses			
Current Tax		-	-
Deferred Tax*		-	2,95,792
Income Taxes of Earlier Years		-	15,078
Tax expenses		**-**	**3,10,870**
Profit for the year		**(3,85,873)**	**(7,93,734)**
OTHER COMPREHENSIVE INCOME (OCI)			
Re-measurement gain /(loss) on employee defined benefit plans			
Add: Deferred tax Credit /(Expense)			
Other comprehensive income for the year, net of tax		**-**	**-**

For MHS Pharmaceuticals Private Limited

Sd/-

P Srinivas

Director

DIN: 00898824

	Particulars	As at June 30, 2023	As at March 31, 2023
4	**Other financial assets**		
a.	Non-current		
	Deposits		
	Unsecured, considered good	24,24,585	23,84,696
	Doubtful	6,60,000	6,60,000
	Less: Provision for doubtful advances	(6,60,000)	(6,60,000)
		24,24,585	23,84,696
b.	Current		
	Other financial assets	-	91,468
	Receivable from related parties	-	-
		-	91,468
5	**Other Assets**		
a.	Non- Current		
	Capital advances		
	Unsecured, considered good	-	-
	Loan given to others	-	-
		-	-
b.	Current		
	Other Advance recoverables fromm creditors	57,930	51,455
	Prepaid expenses	-	-
	GST Receivable	5,81,956	5,72,240
		6,39,886	6,23,695
6	**Non- Current tax assets**		
	Advance tax (net)	8,96,706	7,16,145
		8,96,706	7,16,145

MHS Pharmaceuticals Private Limited
Notes to financial statements for the Period ended June 30, 2023

	Particulars	As at June 30, 2023	As at March 31, 2023
7	**Trade receivables (Current)**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	-	-
	Other receivables		
	Receivable from Related parties	4,31,66,786	4,59,25,202
	Receivable from Others	-	-
		4,31,66,786	4,59,25,202
8	**Cash and bank balances (Current)**		
	Balances with banks in current accounts	25,32,789	4,44,907
	Balances with banks in Fixed Deposits	-	-
	Cash on hand	11,452	12,052
		25,44,241	4,56,959
9	Share capital		
	Authorised shares (Nos):		
	10,000 (March 31, 2013: 10,000) equity shares of Rs.10/- each	7,01,00,000	7,01,00,000
	Issued, subscribed and fully paid up shares (Nos):		
	10,000 (March 31, 2013: 10,000) equity shares of Rs.10/- each	7,01,00,000	7,01,00,000
	Total issued, subscribed and fully paid-up share capital	7,01,00,000	7,01,00,000
10	**Other Equity**		
	General reserve	19,20,834	19,20,834
	Reserves and surplus		
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	14,78,90,720	14,86,84,454
	Loss on transfer of business		-
	Profit/Loss for the year	(12,32,673)	(7,93,734)
	Other comprehensive income for the year	-	-
	Net surplus in the statement of profit and loss	14,66,58,047	14,78,90,720
	Total other equity	**14,85,78,881**	**14,98,11,554**

	Particulars	As at June 30, 2023	As at March 31, 2023
11	**Provisions**		
	Non-Current	-	
	Provision for gratuity	2,39,904	2,39,904
		2,39,904	2,39,904
	Current		
	Provision for gratuity	-	-
	Provision for leave benefits	53,234	65,845
		53,234	65,845
12	**Trade payables**		
	Creditors for Purchase	84,408	64,728
	Provision for expenses	23,848	82,098
	Payable to Related parties	-	-
	Payable for rent, electricity and others	-	-
		1,08,256	**1,46,826**
13	**Other financial liabilities**		
	Current		
	Payables for salaries, wages and bonus	12,122	12,122
	Payable for capital goods	-	-
		12,122	**12,122**
14	**Lease Liabilities**		
	Lease liabilities-long term	1,57,47,463	1,69,76,941
	Lease liabilities- short term	74,45,314	74,45,314
		2,31,92,777	**2,44,22,255**
15	**Others liabilities**		
	Current		
	Statutory liabilities	78,642	73,196
	Current maturities of long-term borrowingS	-	-
		78,642	**73,196**
16	**Deffered tax**		
	Deferred tax assets	26,03,556	26,03,556
	Deferred tax Liabilities	-	-
		-	**26,03,556**

	Particulars	As at June 30, 2023	As at March 31, 2023
17	**Revenue from operations**		
	Sale of traded goods	-	-
		-	-
18	**Other income**		
	Interest income on bank deposits	-	-
	Interest income on others	39,889	1,81,912
	Rent income	17,14,113	71,70,592
	Liabilities no longer required written back		74,379
	Gain on De Recognition of ROU Assets	-	24,49,924
		17,54,002	98,76,807
19	**Employee benefits expense**		
	Salaries, wages and bonus	1,50,120	5,85,362
	Contribution to provident and other funds	7,125	28,500
	Gratuity expense (refer note no.27)	-	54,336
	Staff welfare expenses	-	1,480
		1,57,245	6,69,678

MedPlus Health Services Limited

NOTICE OF THE TRIBUNAL CONVENED MEETING OF TRADE CREDITORS OF MEDPLUS HEALTH SERVICES LIMITED AS PER THE DIRECTIONS OF HYDERABAD BENCH OF NATIONAL COMPANY LAW TRIBUNAL

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH

IA (COMPANIES ACT) NO. 266/2023

IN

COMPANY APPLICATION NO. CA (CAA) NO. 55/230/HDB/2023

IN THE MATTER OF MHS PHARMACEUTICALS PRIVATE LIMITED ("THE TRANSFEROR COMPANY")

AND

IN THE MATTER OF MEDPLUS HEALTH SERVICES LIMITED ("THE TRANSFEREE COMPANY")

(UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER)

MEETING OF TRADE CREDITORS OF MEDPLUS HEALTH SERVICES LIMITED

Day	Friday
Date	December 15, 2023
Time	2:30 PM IST
Venue and Mode of the Meeting	As per the directions of the Hon'ble National Company Law Tribunal, Hyderabad Bench, the meeting shall be conducted through Video Conferencing/ Other Audio-Visual Means.
Details of E-Voting:	
Cut-off date for e-voting	October 31, 2023
E-voting at the Meeting	Through e-voting during the meeting i.e., from the commencement of the meeting until the meeting ends.

S. No	Particulars	Page No.
1.	Notice of the Tribunal Convened meeting of the Trade Creditors of MedPlus Health Services Limited ("Transferee Company") to be convened as per the directions of Hon'ble National Company Law Tribunal, Hyderabad Bench.	3-8
2.	Explanatory Statement under Section 230(3) and 232(2) read with Section 102 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013.	9-21
3.	**Annexure A** Scheme of Amalgamation of MHS Pharmaceuticals Private Limited with MedPlus Health Services Limited and their respective Shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ("**Scheme**").	22-51
4.	**Annexure B** Auditors Certificate, in relation to the Transferor and Transferee Company, confirming that the Accounting Treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.	52-56
5.	**Annexure C** Report adopted by the Board of Directors of MedPlus Health Services Limited in meeting held on January 9, 2023, pursuant to Section 232(2)(c) of the Act, explaining effect of the Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any.	57-59
6.	**Annexure D** Report adopted by the Board of Directors of MHS Pharmaceuticals Private Limited in meeting held on January 9, 2023, pursuant to Section 232(2)(c) of the Act, explaining effect of the Scheme on the shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any.	60-62
7.	**Annexure E** Audited financial statements for the period ended March 31, 2023 and the unaudited financial statement as on June 30, 2023 of MedPlus Health Services Limited.	63-201
8.	**Annexure F** Audited financial statements for the period ended March 31, 2023 and the unaudited financial statement as on June 30, 2023 of MHS Pharmaceuticals Private Limited.	202-254

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH

IA (COMPANIES ACT) NO. 266/2023

IN

COMPANY APPLICATION NO. CA (CAA) NO. 55/230/HDB/2023

IN THE MATTER OF MHS PHARMACEUTICALS PRIVATE LIMITED ("THE TRANSFEROR COMPANY")

AND

IN THE MATTER OF MEDPLUS HEALTH SERVICES LIMITED ("THE TRANSFEREE COMPANY")

NOTICE CONVENING MEETING OF THE TRADE CREDITORS OF MEDPLUS HEALTH SERVICES LIMITED (THE TRANSFEREE COMPANY/COMPANY)

Notice is hereby given that by an Order dated November 07, 2023 the Hyderabad Bench of the Hon'ble National Company Law Tribunal ("hereinafter referred to as **"Order"**), has directed a meeting of Trade Creditors of the **Transferee Company/ Company** for the purpose of considering, and if thought fit, approving with or without modifications, the Scheme of Amalgamation proposed between MHS Pharmaceuticals Private Limited ("**Transferor Company**") with MedPlus Health Services Limited ("**Transferee Company**") and for matters consequential, supplemental and/or otherwise integrally connected therewith ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of trade creditors ("**Trade Creditors**") of the **Transferee Company/Company** will be held on **Friday, the 15th day of December 2023** at **14:30 Hrs IST** through Video Conferencing/ Other Audio-Visual Means ("**VC/OAVM**") ("**Meeting**") to transact the business mentioned herein, following inter-alia the operating procedures (with requisite modification(s) as may be required) referred to in General Circular No. 14/2020 dated April 8, 2020 read with the General Circular Nos. 17/2020 dated April 13, 2020, 22/2020 dated 15 June, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, General Circular no. 10/2021 dated June 23, 2021, General Circular no. 20/2021 dated December 08, 2021, General Circular no. 03/2022 dated May 05, 2022, General Circular No. 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of corporate Affairs, Government of India (collectively referred to as "**MCA Circulars**").

A copy of the Scheme of amalgamation, Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with the Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the index are enclosed herewith. A copy of this Notice and the accompanying documents will be available on the website of the Company viz. https://www.medplusindia.com and also on the website of BSE Limited ("BSE") at www.bseindia.com and the National Stock Exchange of India Limited at www.nseindia.com.

Copies of the aforesaid Scheme, Notice along with the explanatory statement under Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 and Rule 6 of the Companies

(Compromises, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge, between 11:00 Hrs IST to 13:00 Hrs IST on any day (except Saturday, Sunday and public holidays) upto the date of Meeting at the Registered Office of the Transferee Company/Company situated at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad - 500037, Telangana, India or by writing email to the Company at **cs@medplusindia.com/ ir@medplusindia.com**..

The Hon'ble Tribunal has appointed Ms. Vaishnavi Ambadipudi, Advocate as the Chairperson and Mr. R. Ramkrishna, Advocate as the Scrutinizer for the Meeting.

The abovementioned Scheme of amalgamation, if approved by the trade creditors in the Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

The results shall be declared within the stipulated time from conclusion of the Meeting. The results declared will be placed on the website of the Company at https://www.medplusindia.com and the website of KFin: https://evoting.kfintech.com immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.

The Board of Directors of the Company at its meeting held on January 9, 2023, approved the said Scheme, subject to the sanction of the Hon'ble Tribunal and of such other authorities as may be necessary.

In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme of amalgamation shall be considered approved by the Trade Creditors only, if the Scheme is approved by majority of persons representing three-fourth in value of the trade creditors of the Transferee Company, voting in person through VC/OAVM.

This notice is given for consideration of the resolution mentioned below to be passed at the Meeting.

RESOLUTION:

To consider and approve the Scheme of Amalgamation of MHS Pharmaceuticals Private Limited ("Transferor Company") with MedPlus Health Services Limited ("Transferee Company/Company") and their respective shareholders and creditors:

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution to be passed by Trade Creditors with requisite value in terms of Section 230 and Section 232 of the Companies Act, 2013.

"RESOLVED THAT pursuant to the provisions of Section 230 and 232 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder and related circulars and notifications thereto as applicable under the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and enabling provisions in the Memorandum of Association and Articles of Association of the Company and subject to the approval and such other modifications as may be made by the Hyderabad Bench of Hon'ble National Company Law Tribunal and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary, the proposed arrangement embodied in the Scheme of Amalgamation of the MHS Pharmaceuticals Private Limited ("**Transferor Company**") and MedPlus Health Services Limited ("**Transferee Company**") and their respective shareholders and creditors ("**Scheme**"), placed before this meeting be and is hereby approved by the Trade Creditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the Scheme or by any authorities under law, as considered necessary in giving effect to the Scheme of amalgamation, as the Board may deem fit and proper**."**

For MedPlus Health Services Limited

Sd/-
Ms. Vaishnavi Ambadipudi
Chairperson appointed for the Meeting.

Place: Hyderabad
Date: November 10, 2023

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

Notes:

1. The Explanatory Statement pursuant to Section 230(3) of the Companies Act, 2013 read with Section 102 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 concerning the special business as set out above is annexed hereto and forms part of this Notice.

2. In compliance with the relevant MCA circulars and the provisions of the Act together with rules made thereunder and applicable standards read with the Order of NCLT, Hyderabad Bench, this Meeting is being held through VC/OAVM facility, without physical presence of the Trade Creditors at a common venue, for the purpose of considering, and if thought fit, approving, the Scheme under the provisions of sections 230 of the Companies Act, 2013. The proceedings of this meeting would be deemed to have been conducted at the registered office of the Transferee Company located at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad - 500037, Telangana, India. Since this Meeting is being held through VC/ OAVM pursuant to the applicable MCA circulars, physical attendance of Trade Creditors has been dispensed with accordingly, the facility for appointment of proxies by the Trade Creditors will not be available for the meeting and hence the proxy form and attendance slip are not annexed to this Notice.

3. Voting rights shall be reckoned on the value of the debt recorded in the names of trade creditors as on October 31, 2023 (**Cut-off Date**). The Company shall send the Notice along with the relevant annexures to all the Trade Creditors whose names appear in the records of the Company as on the Cut-Off Date i.e., October 31, 2023 (i) through electronic mode to those Trade creditors whose e-mail IDs are available with the Company; and (ii) through registered post or speed post or courier, physically, to those Trade Creditors whose e-mail IDs are not available with the Company. The Cut-off Date is for determining the eligibility to vote by electronic means. A person who is not a Trade Creditor as on the Cut-off Date or who becomes a Trade Creditor of the Company after the Cut-off Date should treat this Notice for information only.

4. Trade Creditors of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the Meeting through VC/ OAVM and vote thereat. Corporate/Institutional

Creditors are entitled to appoint authorised representatives to attend the Meeting through VC/ OAVM on their behalf and cast their votes through e-voting at the Meeting. Corporate/ Institutional Creditors intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution/authorization letter to the Scrutinizer at e-mail ID r.ramkrishna1985@gmail.com with a copy marked to evoting@kfintech.com and to the Company at cs@medplusindia.com, authorizing its representative(s) to attend and vote through VC/OAVM on their behalf at the Meeting, pursuant to Section 113 of the Act.

5. Trade Creditors are requested to register/update their email addresses and who intend to get their email id's registered with the Company are requested to send their request to the Company as cs@medplusindia.com.

6. KFin Technologies Limited will provide the facility to the Trade Creditors for participation in the Meeting through VC/OAVM and e-voting during the Meeting.

7. As per the Order of NCLT, the quorum of the Meeting of the trade creditors of the Transferee Company shall be as per Section 103 of the Companies Act, 2013. The attendance of the Trade Creditors participating through VC/OAVM shall be counted for the purpose of reckoning the quorum.

8. The advertisement confirming dispatch of this Notice, by electronic mode, is also being published in the requisite newspapers. Requisite filings made with the Stock Exchange(s), are available on the corporate website of the Company and can be accessed by the Trade Creditors on the web link: https://www.medplusindia.com/.

9. Trade Creditors are requested to carefully read the instructions mentioned under the head 'Information and Instructions for e-voting' in this Notice and record their assent ("FOR") or dissent ("AGAINST") on the proposed resolutions through the e-voting process.

10. All the documents referred to in this Notice will be available for inspection electronically without any fee by the Trade Creditors from the date of circulation of this Notice until the date of the Meeting. Trade creditors seeking to inspect such documents can send an email to cs@medplusindia.com/ ir@medplusindia.com.

11. **SCRUTINISER FOR E-VOTING:** Mr. R. Ramkrishna, Advocate has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

12. **SUBMISSION OF QUESTIONS/QUERIES PRIOR TO MEETING:** Trade Creditors of the Company as on the Cut-off Date i.e. October 31, 2023 and who would like to express their views/ask questions may write to the Company's investor email-id ir@medplusindia.com/ cs@ medplusindia.com, mentioning their name, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the Meeting.

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

    Alternatively, the unsecured creditors may also visit https://emeetings.kfintech.com and click on the tab 'Post Your Queries' and post their queries/ views/questions in the window provided, by mentioning their name, the name of the unsecured creditor, email ID and mobile number. The window will be closed on December 13, 2023 (16.00 Hrs IST).

The Company will, at the Meeting, endeavor, to address the queries received till 16:00 Hrs (IST) on December 13, 2023 from those Trade creditors who have sent queries from their registered email IDs.

13. **SPEAKER REGISTRATION BEFORE MEETING:** Creditors of the Company, as on the Cut-off Date i.e. October 31, 2023 and who would like to speak or express their views or ask questions during the Meeting may register themselves as speakers by visiting https://emeetings.kfintech.com and clicking on "Speaker Registration" available on the screen after log in. The speaker registration will be open from during the period from December 11, 2023 (10:00 Hrs IST) and close on December 13, 2023 (16:00 Hrs IST). Those creditors who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time at the Meeting.

14. **INSTRUCTIONS FOR TRADE CREDITORS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:**

I. The Applicant Company will provide VC/OAVM facility to its Trade Creditors for participating in the Meeting. The Trade Creditors will be able to attend the Meeting through VC/OAVM or view the live webcast of the Meeting at https://emeetings.kfintech.com by using their e-voting login credentials and selecting the 'EVENT' for the Meeting. The trade creditors are requested to follow the procedure given below.

i. Launch internet browser (chrome/firefox/safari) by typing the URL: https://emeetings.kfintech.com.
ii. Enter the login credentials (i.e., User ID and password for e-voting) shared along with this Notice.
iii. After logging in, click on 'Video Conference' option; and
iv. Then click on camera icon appearing against NCLT EVENT of Medplus Health Services Limited, to attend the Meeting.

a) Please note that the Trade Creditors who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned in the Notice.
b) Trade Creditors may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Trade Creditors will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Trade Creditors will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Trade Creditors are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.
c) Trade Creditors can join the Meeting in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice, and this mode will be available throughout the proceedings of the Meeting.
d) Trade Creditors who need assistance before or during the Meeting can contact RTA viz., M/s.Kfin Technologies Ltd. Toll–free number – 1800 309 4001.

15. **VOTING AT THE MEETING:**

a) E-voting during the Meeting is integrated with the VC/OAVM platform and no separate login is required for the same.
b) Only those Trade Creditors, who will be present in the Meeting through VC/OAVM facility shall be eligible to vote through e-voting system in the Meeting.
c) The Trade Creditor may be eligible to vote only during the meeting i.e., from the commencement of meeting until the meting ends.
d) The e-Voting "Thumb sign" on the left-hand corner of the video screen shall be activated during the Meeting proceedings. Trade Creditors shall click on the same to take them to the "Instapoll" page.
e) Trade Creditors to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

16. In case of any query and/or grievance regarding e-voting, Trade Creditors 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 may address their queries to the Company Secretary at cs@medplusindia.com OR KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company at their office at Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi – 500 032, Telangana, India or by sending a mail to evoting@kfintech.com or at toll free no. 1800-309-4001.

For MedPlus Health Services Limited

Sd/-
Ms. Vaishnavi Ambadipudi
Chairperson appointed for the Trade Creditors Meeting.

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

Place: Hyderabad
Date: November 10, 2023

EXPLANATORY STATEMENT UNDER SECTION 230(3) AND SECTION 102 OF THE COMPANIES ACT, 2013 ("Act") READ WITH RULE 6 OF COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

1. Pursuant to order dated November 07, 2023, passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench ("**NCLT" / "Tribunal**"), a meeting of the trade creditors of MedPlus Health Services Limited (the "**Transferee Company/Company**") is being convened through Video Conferencing/ Other Audio Visual Means ("**VC/OAVM**"), for the purpose of considering and if thought fit, approving with or without modification, the arrangement embodied in the Scheme of Amalgamation of the MHS Pharmaceuticals Private Limited ("**Transferor Company**") and MedPlus Health Services Limited (**"Transferee Company"**) and their respective shareholders and creditors ("**Scheme**"). Notice of the said meeting together with the copy of the Scheme is sent herewith. This statement explaining the terms of the Scheme is being furnished, inter alia, as required u/s 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

2. Following are the details disclosing of the Scheme of Amalgamation:

1. Background of the Transferor Company and the Transferee Company:

Details of Transferor Company:

S. No	Category	Particulars
1.	Name of the Transferor Company	MHS Pharmaceuticals Private Limited
2.	CIN	U24233TG2008PTC059624
3.	PAN	AAGCM1711M
4.	Date of Incorporation	June 12, 2008
5.	Type of Transferor Company	Private Company
6.	Registered office of the Transferor Company and email id	#H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India. Email ID: cs@medplusindia.com
7.	Summary of main object as per the memorandum of association; and main business carried on by the Transferor Company	1. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products and in all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations. 2. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels,

<table>
<tr><td></td><td></td><td>wallets, gift vouchers and any other products in and outside India.
3. To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.

Summary of the business carried on by the Transferor Company is as follows:

Transferor Company has been engaged inter alia in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical and pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, pharmaceuticals, medicinal preparations and FMCG products.</td></tr>
<tr><td>8.</td><td>Details of change of name, registered office and objects of the Transferor Company during the last 5 years.</td><td>Nil</td></tr>
<tr><td>9.</td><td>Name of the Stock Exchange(s) where the securities of the Transferor Company are listed, if applicable</td><td>Not Applicable</td></tr>
<tr><td>10.</td><td>Details of the capital structure as on September 30, 2023 of the Transferor Company</td><td>(In Rs)
<table><tr><th>Securities</th><th>Authorized Capital</th><th>Issued, Subscribed and paid-up</th></tr><tr><td>Equity shares</td><td>70,10,000 equity shares of Rs. 10 each amounting to Rs. 7,01,00,000</td><td>70,10,000 equity shares of Rs. 10 each amounting to Rs. 7,01,00,000</td></tr></table>
Subsequent the date mentioned herein, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferor Company.</td></tr>
<tr><td>11.</td><td>Name of the promoters and directors along with their addresses.</td><td>Promoters:
<table><tr><th>S. No</th><th>Name</th><th>Address</th></tr><tr><td>1.</td><td>MedPlus Health Services Limited</td><td>H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037 Telangana, India.</td></tr></table>Directors:</td></tr>
</table>

<table>
<tr><td></td><td></td><td>
<table>
<tr><th>S. No</th><th>Name</th><th>Address</th><th>DIN</th></tr>
<tr><td>1)</td><td>Paidiwar Srinivas</td><td>3-6-290/10 F-1C, Doyen Square Apts, Hyderguda, Basheerbagh, Himayathnagar, Hyderabad - 500029, Telangana, India.</td><td>00898824</td></tr>
<tr><td>2)</td><td>Prasad Reddy Battinapatla</td><td>1-5-1117/365, Road No.4, Hightension Road, Tirumalagiri - 500010, Telangana, India</td><td>09319738</td></tr>
<tr><td>3)</td><td>Bhaskar Reddy Cherukupalli</td><td>H No 17-277, Thiipparajuvari Head Post Office Nellore - 524001, Andhra Pradesh, India.</td><td>00926550</td></tr>
</table>
</td></tr>
<tr><td>12.</td><td>If the scheme of amalgamation relates to more than one Company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of arrangement, including holding, subsidiary or of associate companies.</td><td>The Transferee Company along with its nominees hold all the issued, subscribed and paid-up capital of the Transferor Company. The Transferor Company is a wholly-owned subsidiary of the Transferee Company.</td></tr>
<tr><td>13.</td><td>The date of the Board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/ participate on such resolution</td><td>The Board of Directors approved the Scheme of amalgamation on January 9, 2023.

The following Directors voted in favour of the resolution:
<table>
<tr><th>S. No</th><th>Name of Directors</th><th>Voting on the Resolution</th></tr>
<tr><td>1</td><td>Paidiwar Srinivas</td><td>Favour</td></tr>
<tr><td>2</td><td>Prasad Reddy Battinapatla</td><td>Favour</td></tr>
<tr><td>3</td><td>Bhaskar Reddy Cherukupalli</td><td>Favour</td></tr>
</table>
None of the Director voted against the resolution nor abstained from voting on such resolution.</td></tr>
</table>

Details of Transferee Company:

S. No	Category	Particulars
1.	Name of the Transferee Company	MedPlus Health Services Limited
2.	CIN	L85110TG2006PLC051845
3.	PAN	AAECM9412H

4.	Date of Incorporation	November 30, 2006
5.	Type of Transferee Company	Listed Public Company
6.	Registered office of the Transferee Company and email id	# H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India. Email ID: cs@medplusindia.com
7.	Summary of main object as per the memorandum of association; and main business carried on by the Transferee Company	1. To establish, run, take on hire or lease, maintain, organize and promote diagnostic centers, polyclinics, hospitals, clinics and blood banks. 2. Undertake Hospital Automation, Hospital management, Project Management, Health camps and launch Healthcare schemes. 3. To establish, set up, maintain, manage run or otherwise deal with pathological and radiological laboratory testing, clinical reference laboratory services, diagnostic services and to provide services and solutions relating to medical tests and clinical examinations for health care. 4. To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributors, stockists, agents, merchants, suppliers, representatives and dealers of Surgical & healthcare equipments, Ayurvedic Medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement , proteins and such other allied products on wholesale basis including setting up contract manufacturing facility. 5. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products on wholesale basis and in all kinds of drugs. intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations. 6. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels, wallets, gift vouchers and any other products in and outside India. 7. To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.

		8. To carry on the business of wholesale trading, franchising, outsourcing, branding, factoring, promoting, distributing, marketing, negotiating, supplying, processing, of FMCG (fast moving consumer goods) of all kinds, varieties, and description such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue papers, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack foods, chocolates Summary of the business carried on by the Transferee Company is as follows: The Transferee Company is inter-alia engaged in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical, pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, all pharmaceuticals, medicinal preparations and FMCG products. The Transferee Company also manages runs and deals with pathological, radiological laboratory testing and diagnostics services.
8.	Details of change of name, registered office and objects of the Transferee Company during the last 5 years.	**Change in Name**: Pursuant to conversion of the Transferee Company from private limited company to a public limited company the name changed from "MedPlus Health Services Private Limited" to MedPlus health Services Limited pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting held on June 1, 2021. Consequently, a fresh certificate of incorporation was issued by the Registrar of Companies, Telangana at Hyderabad ("RoC") on June 28, 2021. **Change in Registered Office**: The Transferee Company has changed its registered office from 707, 7th Floor, 5-9-13, Taramandal Commercial Complex, Saifabad, Hyderabad 500 004, Telangana, India to H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India w.e.f May 2, 2022. **Change in Object Clause**: **a. Clause III (A) (1) of the MoA was deleted w.e.f December 6, 2019.** "To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products like Intravenous Sets, Intravenous Solutions, all kinds of drugs, disinfectants, tinctures, colloidal products, injectable and all the pharmaceuticals and medicinal preparations." was deleted w.e.f December 6, 2019.

		b. **Clause III (A) (5) to (9) of the MoA was inserted w.e.f November 24, 2020**: 5. "To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributors, stockists, agents, merchants, suppliers, representatives and dealers of Surgical & healthcare equipments, Ayurvedic medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement, proteins and such other allied products including setting up contract manufacturing facility. 6. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products and in all kinds of drugs, intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations. 7. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including but not limited to food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Orthopedic pads, Electronic, Electrical and general home made products such as rotimaker, bathtowels, wallets, gift vouchers and any other products in and outside India. 8. To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush - shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats, and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business. 9. To carry on the business of trading, franchising, outsourcing, branding, factoring, promoting, distributing, marketing, negotiating, supplying, processing of FMCG (fast moving consumer goods) of all kinds, varieties and descriptions such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue paper, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack food, chocolates." **c. Clause III (A) (5) to (9) of the MoA was replaced with the following w.e.f December 7, 2020:** 5. "To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributor, stockists agents, merchants, suppliers, representatives and dealers of Surgical &

		healthcare equipments. Ayurvedic Medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement, proteins and such other allied products on wholesale basis including setting up contract manufacturing facility. 6. To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products on wholesale basis and in all kinds of drugs, intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations. 7. To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, wholesale trading, manufacturing and to act as broker, wholesale distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments on wholesale basis including but not limited to food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Orthopedic pads, Electronic, Electrical and general home made products such as rotimaker, bathtowels, wallets, gift vouchers and any other products in and outside India on wholesale basis. 8. To carry on the business of manufacturers, wholesale importers and exporters, whole sale dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats, and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business. 9. To carry on the business of wholesale trading, franchising, outsourcing, branding, factoring. promoting, distributing, marketing, negotiating, supplying, processing of FMCG (fast moving consumer goods) of all kinds, varieties and descriptions such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue paper, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack food, chocolates."
9.	Name of the Stock Exchange(s) where the securities of the Transferee Company are listed, if applicable	BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**").
10.	Details of the capital structure as on September 30, 2023 of	(In Rs)

<table>
<tr><td></td><td>the Transferee Company</td><td>
<table>
<tr><th>Securities</th><th>Authorized Capital</th><th>Issued, Subscribed and paid-up</th></tr>
<tr><td>Equity shares</td><td>27,08,83,000 equity shares of Rs. 2 each amounting to Rs. 54,17,66,000</td><td>11,93,52,154 equity shares of Rs. 2 each amounting to Rs. 23,87,04,308.</td></tr>
</table>

Subsequent to the date mentioned herein, there has been no change in the authorized, issued, subscribed and paid-up capital of the Transferee Company.</td></tr>
<tr><td>11.</td><td>Name of the promoters and directors along with their addresses.</td><td>Promoters:
<table>
<tr><th>S. No</th><th>Name</th><th>Address</th></tr>
<tr><td>1.</td><td>Madhukar Reddy Gangadi</td><td>Flat No. 2400, Block No. 5B, Lodha Belleza, Kukatpally, Hyderabad 500 037, Telangana, India.</td></tr>
<tr><td>2.</td><td>Agilemed Investments Private Limited</td><td>H. No: 11-6-56, Survey No. 257 & 258/1, Opp: IDPL Railway Siding Road, (Moosapet), Kukatpally, Hyderabad 500 037, Telangana, India.</td></tr>
<tr><td>3.</td><td>Lone Furrow Investments Private Limited</td><td>H. No: 11-6-56, Survey No. 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500 037, Telangana, India.</td></tr>
</table>
Directors:
<table>
<tr><th>S. No</th><th>Name</th><th>Address</th><th>DIN</th></tr>
<tr><td>1)</td><td>Madhukar Reddy Gangadi</td><td>Flat No 2701, 27th Floor, Block No. C, Tower No 2 My Home Bhooja, Raidurg, Panmakta Village, Gandumguda Hyderabad - 500008 India</td><td>00098097</td></tr>
<tr><td>2)</td><td>Anish Kumar Saraf</td><td>B-3002, 30th Floor, Raheja Vivarea Sane Guruji Marg Mumbai - 400011 Maharashtra India</td><td>00322784</td></tr>
<tr><td>3)</td><td>Murali Sivaraman</td><td>24th Tytan, A B Dubhash Marg, Napean Sea Road, Malabar Hill Mumbai</td><td>00098097</td></tr>
</table></td></tr>
</table>

<table>
<tr><td></td><td></td><td>
<table>
<tr><td></td><td></td><td>- 400006 Maharashtra India</td><td></td></tr>
<tr><td>4)</td><td>Hiroo Mirchandani</td><td>Apartment 625, Antara Senior Living, Purukul Road, Guniyal Gaon Dehradun - 248003 Uttarakhand, India</td><td>06992518</td></tr>
<tr><td>5)</td><td>Madhavan Ganesan</td><td>C-2004/2005, Shreeji Heights, Plot-1 Palm Beach Road, Sector 46A Nerul, Navi Mumbai, Thane Navi Mumbai - 400706 Maharashtra, India</td><td>01674529</td></tr>
<tr><td>6)</td><td>Bhaskar Reddy Cherukupalli</td><td>H No 17-277, Thiipparajuvari Head Post Office Nellore - 524001, Andhra Pradesh, India.</td><td>00926550</td></tr>
</table>
</td></tr>
<tr><td>12.</td><td>If the scheme of amalgamation relates to more than one Company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of arrangement, including holding, subsidiary or of associate companies.</td><td>The Transferee Company along with its nominees hold all the issued, subscribed and paid-up capital of the Transferor Company. The Transferor Company is a wholly-owned subsidiary of the Transferee Company.</td></tr>
<tr><td>13.</td><td>The date of the Board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/ participate on such resolution</td><td>The Board of Directors approved the Scheme of amalgamation on January 9, 2023.

The following Directors voted in favour of the resolution:
<table>
<tr><th>S. No</th><th>Name of Directors</th><th>Voting on the Resolution</th></tr>
<tr><td>1</td><td>Madhukar Reddy Gangadi</td><td>Favour</td></tr>
<tr><td>2</td><td>Anish Kumar Saraf</td><td>Favour</td></tr>
<tr><td>3</td><td>Murali Sivaraman</td><td>Favour</td></tr>
<tr><td>4</td><td>Hiroo Mirchandani</td><td>Favour</td></tr>
<tr><td>5</td><td>Madhavan Ganesan</td><td>Favour</td></tr>
<tr><td>6</td><td>Atul Gupta</td><td>Favour</td></tr>
</table>
</td></tr>
</table>

		None of the Director voted against the resolution nor abstained from voting on such resolution.

2. Parties Involved in the Scheme of amalgamation:

MHS Pharmaceuticals Private Limited and MedPlus Health Services Limited.

3. Appointed date, effective date, share exchange ratio and other consideration, if any:

(i) Appointed Date: 1st day of April, 2023

(ii) Effective Date: The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232 (6) of the Act.

(iii) Share Exchange Ratio: Not Applicable.

(iv) Operative Date: Means the last of the dates on which the certified copy of the order of the Tribunal sanctioning the Scheme is filed by Transferor Company and by the Transferee Company with the Registrar of Companies, Hyderabad. Any reference in the Scheme to the date of "upon the Scheme becoming operative" or "upon coming into effect of this Scheme" shall mean the Operative Date.

(v) The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as defined in Section 232 (6) of the Act but shall be operative from the Operative Date.

4. Summary of valuation report (if applicable) including basis of valuation by the Registered Valuer, if any; and the declaration that the valuation reports is available for inspection at the registered office of the Company:

Not Applicable. All shares of the Transferor Company shall stand cancelled as the Transferor Company is the wholly owned subsidiary of the Transferee Company.

5. Rationale for the amalgamation:

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

6. Benefits of the scheme of amalgamation as perceived by the Board of directors to the company, members, creditors and others (as applicable):

The Board of Directors of the Transferor and Transferee Company is of the opinion that the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

7. Amount due to unsecured creditors:

The outstanding liabilities of the Transferor Company towards unsecured creditors as on October 31, 2023 is Rs. Nil.

The outstanding liabilities of the Transferee Company towards unsecured creditors as on October 31, 2023 is Rs. Nil.

8. Disclosure about the effect of the scheme on promoters, key managerial personnel, directors, etc.

Promoters	The implementation of the proposed Scheme shall not adversely affect the Promoters of the Transferor Company and the Transferee Company.
Key Managerial Personnel and Employees.	Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company on the Appointed Date and as well as in service as at the end of the Transition period shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company. Further, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority.

Directors	The implementation of the proposed Scheme shall not adversely affect the Directors of the Transferor Company and the Transferee Company.
Non-promoter Members	The implementation of the proposed Scheme shall not adversely affect the non-promoter members of the Transferee Company.
Depositors	Not applicable as there are no depositors in the Transferor Company and the Transferee Company.
Equity Shareholder and Creditors	The Board of the Transferor Company and the Transferee Company are of the view that the rights and obligations of each of the equity shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme. The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.
Debenture Holders	Not applicable as there are no debenture holders in the Transferor Company and the Transferee Company.
Deposit Trustee and Debenture Trustee	Not applicable as there are no deposit trustee and debenture trustee in the Transferor Company and the Transferee Company.

9. Disclosure about effect of amalgamation on material interests of directors, Key Managerial Personnel (KMP) and debenture trustee.

(i) Key managerial personnel: None of the Key Managerial Personnel ("KMPs") of the Transferor Company and the Transferee Company have any material interest in the said Scheme except as employees in general.

(ii) Directors: None of the Directors of the Transferor Company and the Transferee Company have any material interest in the said Scheme except as shareholders in general, the extent of which will appear from the Register of the Directors' Shareholding maintained by the Transferor Company and the Transferee Company.

(iii) Debenture Trustee: Not applicable as there are no debenture trustees in the Transferor Company and Transferee Company.

10. Investigation or proceedings, if any, pending against the company under the Act.

There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under the Act.

11. The Notice of the proposed meeting along with the Scheme and other related documents shall be filed with the Registrar of Companies, Regional Director, Official Liquidator, Securities Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and the Income Tax Authorities and the representation, if any, to the Scheme may be made by the said authorities within thirty days. It may be noted that there are no sectoral regulators which needs to be informed in the present case.

12. A copy of the Scheme setting out the terms and conditions of the proposed Amalgamation as approved by the Board of Directors of the respective Applicant Companies in their respective Board Meetings is enclosed herewith.

13. Copies of the following documents of the Transferor Companies and Transferee Companies are open for inspection and/or for obtaining extract or copies of the same at the respective Registered offices on any working day, except Saturdays, Sundays and Public Holidays, between 10:00 AM to 1:00 PM up to the date of meeting.

    (i) Memorandum of Association and Articles of Association.
    (ii) Latest audited financial statements as on March 31, 2023.
    (iii) Copy of the order of Tribunal in pursuance of which this meeting is to be convened.
    (iv) Copy of scheme of amalgamation.
    (v) the certificate issued by Auditor of the Company to the effect that the accounting treatment, if any, proposed in the said Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
    (vi) Copy of Board Resolutions approving the Scheme.
    (vii) Supplementary Accounting statement as on June 30, 2023.

14. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Transferee Company and Transferor Company have in meeting held on January 09, 2023 respectively, adopted a report, inter alia, explaining effect of the Scheme on the Shareholders, Key Managerial Personnel, and Directors. Copies of the Reports adopted by the Board of Directors of Transferee Company and Transferor Company are enclosed as Annexure to this Notice.

15. In view of the information provided herein above and the documents attached along with this Notice and Explanatory statement, the requirement of Section 232(2) of the Companies Act, 2013 have been complied with.

For MedPlus Health Services Limited

Sd/-
Ms. Vaishnavi Ambadipudi
Chairperson appointed for the Trade Creditors Meeting.

Place: Hyderabad
Date: November 10, 2023

280

Annexure A

SCHEME OF AMALGAMATION

BETWEEN

MEDPLUS HEALTH SERVICES LIMITED
("TRANSFEREE COMPANY")

AND

MHS PHARMACEUTICALS PRIVATE LIMITED
("TRANSFEROR COMPANY")
AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTION 230 to 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER)

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

A. PREAMBLE

This Scheme of Amalgamation (hereinafter referred to as "**Scheme**") is presented under the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder (including any modifications or re-enactments or amendments thereof), read with section 1(B) of the Income Tax Act, 1961 for amalgamation of MHS Pharmaceuticals Private Limited **("Transferor Company")** into Medplus Health Services Limited (hereinafter referred to as "**Transferee Company**") and for matters consequential, supplemental and/or otherwise integrally connected therewith.

The Transferor Company is the wholly owned subsidiary of the Transferee Company and therefore the Transferee Company will not issue any shares under the Scheme.

B. DESCRIPTION OF COMPANIES

(i) Medplus Health Services Limited or Transferee Company (CIN No. L85110TG2006PLC051845), is a listed public company incorporated under the provisions of the Companies Act, 1956 on November 30, 2006 and having its registered office at H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India. The equity shares of the Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

(ii) MHS Pharmaceuticals Private Limited or Transferor Company, (CIN No. U24233TG2008PTC059624), is a private limited company incorporated under the provisions of the Companies Act, 1956 on June 12, 2008, and having its registered office at at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad 500037, Telangana, India.

The Transferor Company is the wholly owned subsidiary of the Transferee Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

C. RATIONALE FOR THE SCHEME

The Transferor Company is the wholly owned subsidiary of the Transferee Company and both the Companies' business activities are similar to each other. Therefore, the amalgamation shall benefit the Transferor Company and the Transferee Company and their respective shareholders. The rationale for the proposed Scheme is, inter alia, summarized below:

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the Amalgamation of the Transferor Company with the Transferee Company. Accordingly, the Board of Directors of both the companies have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertaking and business of the Transferor Company into the Transferee Company with effect from the

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

HPLUS HEALTH SERVICES LIMITED HYDERABAD

Appointed Date pursuant to the provisions of Section 230 and other relevant provisions of the Companies Act, 2013.

D. This Scheme is divided into the following parts:

(i) **Part I** - dealing with the preliminary of the Scheme, definitions of the terms used in this Scheme and setting out the share capital of the Transferor Company and the Transferee Company;

(ii) **Part II** - dealing with the transfer and vesting of the Undertaking of the Transferor Company to and in the Transferee Company;

(iii) **Part III** - dealing with the cancellation of shares, change in authorised share capital of the Transferee Company, accounting treatment for the amalgamation in the books of the Transferee Company; and

(iv) **Part IV** - dealing with the dissolution of the Transferor Company and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

PART I – PRELIMINARY, DEFINITIONS AND INTERPRETATION

1. PRELIMINARY

1.1. The Transferor Company has been engaged inter alia in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical and pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, pharmaceuticals, medicinal preparations and FMCG products. The main objects are set out in its Memorandum of Association and the same are laid down as under:

1. *To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products and in all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations.*
2. *To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels, wallets, gift vouchers and any other products in and outside India.*
3. *To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.*

1.2. The Transferee Company is engaged, *inter alia,* in the business of manufacturing, buying, selling, importing, exporting, distributing or dealing in medical, pharmaceutical products, all kinds of drugs, intermediaries, disinfectants, tinctures, colloidal products, injectables, all pharmaceuticals, medicinal preparations and FMCG products. The Transferee Company also manages runs and deals with pathological, radiological laboratory testing and diagnostics services. The main

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

APOLLUS HEALTH SERVICES LIMITED HYDERABAD

objects are set out in its Memorandum of Association and the same are laid down as under:

1. *To establish, run, take on hire or lease, maintain, organize and promote diagnostic centers, polyclinics, hospitals, clinics and blood banks.*
2. *Undertake Hospital Automation, Hospital management, Project Management, Health camps and launch Healthcare schemes.*
3. *To establish, set up, maintain, manage run or otherwise deal with pathological and radiological laboratory testing, clinical reference laboratory services, diagnostic services and to provide services and solutions relating to medical tests and clinical examinations for health care.*
4. *To carry on the business of manufacturer, producers, makers, buyers, sellers, exporters, importers, distributors, stockists, agents, merchants, suppliers, representatives and dealers of Surgical & healthcare equipments, Ayurvedic Medicines, Herbal Medicines, Cosmetics, Herbal or other such products used for Health and Beauty Care and Food Supplements like nourishes, tonics, nutrition, supplement , proteins and such other allied products on wholesale basis including setting up contract manufacturing facility.*
5. *To manufacture, buy, sell, import, export, distribute or deal in Medical and Pharmaceutical Products on wholesale basis and in all kinds of drugs. intermediates, disinfectants, tinctures, colloidal products, injectables and all the pharmaceuticals and medicinal preparations.*
6. *To carry on the business of processing, mixing, packing, preserving, freezing, extracting, refining, importing, exporting, buying, selling, trading, manufacturing and to act as broker, distributor, agency, factors, stockiest or otherwise deal in processed foods, health foods, protein foods, fresh foods and all kinds of food and healthcare products and equipments including food supplements and other consumable provision of every description for human consumption and usage including all kinds of healthcare equipments, Electronic, Electrical and general homemade products such as roti maker, bath towels, wallets, gift vouchers and any other products in and outside India.*
7. *To carry on the business of manufacturers, importers and exporters, whole sale and retail dealers of and in men's, women's and children clothing and wearing apparel of every kind, nature and description including shirts, bush-shirts, t-shirts, pyjama suits, vests, underwear's, suits, foundation garments for ladies dresses, maternity belts, knee caps, coats and to deal in all other kinds of material, apparel as may be conveniently carried on with the above business.*

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MHS HEALTH SERVICES LIMITED HYDERABAD

8. *To carry on the business of wholesale trading, franchising, outsourcing, branding, factoring, promoting, distributing, marketing, negotiating, supplying, processing, of FMCG (fast moving consumer goods) of all kinds, varieties, and description such as mosquito coils, soaps, cosmetics, teeth cleaning products, shaving products, detergents, toiletries, hair oil, vegetable oil as well as other non-durables namely glassware, light bulbs, batteries, tissue papers, paper products, plastic goods, food and health beverages, bakery products such as bread, biscuits, milk and dairy products, beverages such as tea, coffee, juices, drinks, bottled water, snack foods, chocolates.*

1.3. The Directors of the Transferor Company as on the date of approval of the Scheme by the Board of Directors of Transferor Company are:

Sl. No.	DIN	Full Name	Date of Appointment	Designation
1.	00898824	Paidiwar Srinivas	04/04/2011	Director
2.	00926550	Bhaskar Reddy Cherukupalli	12/06/2008	Director
3.	09319738	Prasad Reddy Battinapatla	29/09/2021	Director

1.4. The Directors of the Transferee Company as on the date of approval of the Scheme by the Board of Directors of Transferee Company are:

Sl. No	DIN	Full Name	Date of Appointment	Designation
1.	00098097	Madhukar Reddy Gangadi	30/11/2006	Managing Director
2.	00322784	Anish Kumar Saraf	06/02/2021	Director
3.	06940578	Atul Gupta	06/02/2021	Director
4.	01461231	Murali Sivaraman	11/06/2021	Independent Director
5.	01674529	Madhavan Ganesan	11/06/2021	Independent Director
6.	06992518	Hiroo Mirchandani	05/07/2021	Independent Director

1.5. The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company. There will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

1.6. The Board of the Transferor Company and the Transferee Company are of the view that the rights and obligations of each of the shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

1.7. The employees of the Transferor Company in service shall be deemed to have become the employees of the Transferee Company without interruption in their service. Further, the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.

1.8. There are no proceedings/investigation pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Act.

2. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

2.1. **"Act"** means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

2.2. **"Appointed Date"** means **April 01, 2023** or such other date as may be agreed by the Board of Directors of the Transferor Company and the Transferee Company and approved by the Tribunal.

2.3. **"Applicable Law" or "Law"** means any applicable national, foreign, provisional, of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances, orders, of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees, of or agreements with any Appropriate Authority having jurisdiction over the parties as may be in force from time to time;

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MHS HEALTH SERVICES LIMITED HYDERABAD

2.4. **"Appropriate Authority"** means the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission, tax authorities, SEBI, stock exchanges, or other authority thereof; any public international organization or supranational body and its institutions, departments, agencies and instrumentalities; and any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi- governmental authority.

2.5. **"Board of Directors" or "Board"** means the board of directors of the respective Transferor Company or the Transferee Company, as the case may be, and shall include a duly constituted committee thereof or any other person duly authorized by the Board for the purpose of this Scheme.

2.6. **"Consent"** means any license, permission, approval, clearance, permit, notice, consent, authorization, waiver, grant, concession, agreement, certificate, exemption, order, or registration from any Appropriate Authority or any other person.

2.7. **"Operative Date"** means the last of the dates on which the certified copy of the order of the Tribunal sanctioning this Scheme is filed by Transferor Company and by the Transferee Company with the Registrar of Companies, Hyderabad. Any reference in this Scheme to the date of "upon the Scheme becoming operative" or "upon coming into effect of this Scheme" shall mean the Operative Date.

2.8. **"Record Date"** means the date on which the Board of Directors of Transferee Company and the Transferor Company (after sanction of the Scheme by the Tribunal and before dissolution of the Transferor Company on the Operative Date), decides for nullifying the shares of the Transferor Company i.e., cancellation of the shares held by the Transferee Company and its nominees in the Transferor Company.

2.9. "**Registrar of Companies**" means the Registrar of Companies at Hyderabad for the State of Telangana with respect to the Transferor Company and Transferee Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.10. **"Rules"** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

2.11. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation, including Schedules, as amended or modified, in its present form submitted to the Tribunal for approval, with any modifications, as may be approved or imposed or directed by the Tribunal.

2.12. **"Transferor Company"** means MHS Pharmaceuticals Private Limited, a private limited company incorporated under the provisions of the Companies Act, 1956 on June 12, 2008, and having its registered office at H. No: 11-6-56, Survey No: 257 & 258/1 Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037 Telangana, India.

2.13. **"Transferee Company"** means Medplus Health Services Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 on November 30, 2006 and having its registered office at H. No: 11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyderabad – 500037 Telangana, India.

2.14. **"Tribunal"** means the National Company Law Tribunal, Hyderabad Bench, having jurisdiction in relation to the Transferee Company and Transferor Company.

2.15. **"Transition Period"** means period starting from the date immediately after the Appointed Date till the last of the date on which all the conditions stipulated in Clause 7 of this Scheme are fulfilled.

2.16. **"Undertaking of the Transferor Company"** shall mean all assets, properties, debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date and shall include (without limitation) their entire business including:

(a) all the assets and properties of the Transferor Company including, without limitation, offices, equipment, interests, capital work-in-progress, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets, if any, buildings and structures, offices, furniture, fixtures, office equipment, computers and all stocks on the Appointed Date;

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

(b) all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to the Transferor Company;

(c) Without prejudice to the generality of sub-Clause (a) and (b) above, the Undertaking of the Transferor Company shall include:

(i) all movable assets and immovable properties, if any, including lease-hold rights, tenancy rights, industrial and other licenses, registrations, permits, authorisations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of the Transferor Company;

(ii) all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, credit of taxes paid, MAT entitlement, advance tax (if any), bills of exchanges and debit notes of the Transferor Company;

(iii) all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/ manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;

(iv) all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;

MHS PHARMACEUTICALS PVT LTD HYDERABAD

MHS HEALTH SERVICES HYDERABAD

(v) all intellectual property rights, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, goodwill, trade secrets, confidential information, domain names, books, records, files, papers, licences (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company; and

(vi) all employees of the Transferor Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In this Scheme, unless the context otherwise requires:

i. Words denoting singular shall include plural and vice versa;

ii. Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

iii. References to the word "include" or "including" shall be construed without limitation;

iv. References to clause, part or schedule is, unless otherwise stated or indicated to the contrary, are references to clause, part and schedule of this Scheme.

3. SHARE CAPITAL

3.1. The share capital structure of the Transferor Company as on the date of approval of the Scheme by the Board of Directors of the Transferor Company is as below:

Equity Shares	
Authorised Capital	**Amount (Rs.)**
70,10,000 Equity Shares of Rs. 10/- each	7,01,00,000
Issued, Subscribed and Paid-up Capital	**Amount (Rs.)**
70,10,000 Equity Shares of Rs. 10/- each	7,01,00,000

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

PLUS HEALTH SERVICES LIMITED HYDERABAD

3.2. The share capital structure of the Transferee Company as on the date of approval of the Scheme by the Board of Directors of the Transferee Company, is as under:

Equity Shares	
Authorised Capital	**Amount (Rs.)**
27,08,83,000 Equity Shares of Rs. 2/- each	54,17,66,000
Issued, Subscribed and Paid-up Capital	**Amount (Rs.)**
11,93,05,676 fully paid-up Equity Shares of Rs. 2/- each	23,86,11,352

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority and shall become effective from the Appointed Date but shall be operative from the Operative Date.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

PART II – TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

5. TRANSFER AND VESTING OF UNDERTAKING

5.1. Upon coming into effect of this Scheme, and with effect from the Appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company, pursuant to Section 230 to 232 read with related Rules of the Act.

(a) All assets and properties of the Transferor Company, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so transferred by the Transferor Company to the Transferee Company, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company, with effect from the Appointed Date.

(b) In respect of other assets pertaining to the Transferor Company including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Appropriate Authority and customers, if any, the Transferee Company, may issue notices stating that, pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to receive, recover or realize the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

(c) Any and all immovable properties, if any, together with the buildings and structures standing thereon of the Transferor Company and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any act or deed done by the

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

LOTUS HEALTH SERVICES LIMITED HYDERABAD

Transferor Company or the Transferee Company. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties, if any. The mutation of title to the immovable properties in the name of the Transferee Company shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of this Scheme by the Tribunal and this Scheme being effective in accordance with the terms hereof without any further act or deed on part of the Transferee Company;

(d) In respect of such of the assets belonging to the Transferor Company other than those referred to in sub-Clauses (a), (b) and (c) above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Appointed Date pursuant to the provisions of Section 230 to 232 read with related Rules of the Act.

5.2. All contracts, statutory licenses, trade license, registrations, incentives, tax deferrals and benefits, carry-forward of tax losses, if any, tax credits, tax refunds, subsidies, concessions, grants, rights, all quotas, rights, entitlements, export/ import incentives, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of the Transferor Company, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and/or benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date shall stand vested in or transferred to the Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme.

5.3. All specific permits, approvals, consents, authorizations, registrations, quotas, no-objection certificates and licenses, in relation to the Undertaking of the Transferor Company shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company.

5.4. The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of the Transferor Company shall stand transferred to and be

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

vested in and/or be deemed to have been transferred to and vested in Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include incentives available under applicable laws in relation to the Undertaking of the Transferor Company to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Company.

5.5. The Transferee Company, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, writings, confirmations or notices with, or in favour of, any other party to any contract or arrangement to which Transferor Company is the party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliance referred to above for and on behalf of the Transferor Company.

5.6. Upon coming into effect of this Scheme and with effect from the Appointed Date, all liabilities, including, without limitation, all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and Undertaking of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for their business activities and operations, shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Section 230 to 232 read with related Rules and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, Transferee Company, and such liabilities shall be assumed by the Transferee Company to the extent they are outstanding as at the end of the Transition Period so as to become, as on and from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and Transferee Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or

other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

5.7. All debts, liabilities, duties and obligations of the Transferor Company shall, as on the Appointed Date, whether or not provided in the books of the Transferor Company, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Company on or after the Appointed Date till the end of the Transition Period shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

5.8. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by the Transferor Company on or after the Appointed Date and during the Transition Period, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

5.9. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and during the Transition Period shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding at the end of the Transition period, shall, upon the coming into effect of this Scheme and under the provisions of Section 230 to 232 read with related Rules of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

5.10. All intellectual property rights, proprietary rights, title, interest, contracts, no objection certificates, consents, approvals and rights and powers of every kind, nature and description, approvals, filings, copyrights, industrial designs, trade secrets, trademarks, know-how, data, technology, brand names, trade names, domain names and all other interests in any intellectual property of Transferor Company, shall, without any further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets and rights of the Transferee Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

NEOPLUS HEALTH SERVICES LIMITED HYDERABAD

5.11. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/ are inconsistent with the provisions of section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

6. STAFF AND EMPLOYEES

6.1. Upon the Scheme becoming effective, all staff and employees of the Transferor Company in service on the Appointed Date and as well as at the end of the Transition Period shall be deemed to have become staff, and employees of the Transferee Company with effect from the Appointed Date or the date of joining whichever is later, without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company..

6.2. Upon the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company, as applicable, for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company, as applicable, in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority. It is clarified that, for the purpose of the said fund or funds, schemes or benefits, the services of the staff, and employees of the Transferor Company, as applicable, will be treated as having been continuous with the Transferee Company from the date of employment as reflected in the records of the Transferor Company, as applicable.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

7. LEGAL PROCEEDINGS

7.1. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company are pending, including those arising on account of taxation laws and other allied laws under any statute, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings (including before any statutory or quasi-judicial authority or tribunal) may be continued, prosecuted and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as applicable, as if this Scheme had not been made.

7.2. After the Transition Period, Transferee Company shall, if required, initiate or defend any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of the Transferor Company and to the same extent as would or might have been initiated by or defended by the Transferor Company, as applicable.

8. POWER TO GIVE EFFECT TO THIS PART

The Transferee Company shall enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

9. TAXATION MATTERS

9.1. Upon the Scheme becoming effective, all taxes payable by the Transferor Company, under the Income-tax Act, 1961 or any indirect taxes or under any other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "Tax Laws") shall be to the account of the Transferee Company; similarly all credits for

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

tax deduction at source on income of the Transferor Company, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company, shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Company. Similarly, any advance tax payment required to be made for by the specified due dates in the Tax Laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Company. Further, the Minimum Alternate Tax paid by the Transferor Company under Section 115 JB and/ or other provisions (as applicable) of the Income-tax Act, 1961, if any shall be deemed to have been paid on behalf of the Transferee Company, and the Minimum Alternate Tax credit (if any) of the Transferor Company, as on the Appointed Date or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company. Any refunds under the Tax Laws due to the Transferor Company, consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

9.2. All taxes of any nature, duties, cesses or any other like payments or deductions made by the Transferor Company or any of its agents to any statutory authorities under Tax Laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the end of the Transition Period and upon relevant proof and documents being provided to the said authorities.

9.3. All Tax assessment proceedings/ appeals of whatsoever nature by/or against the Transferor Company pending and/or arising at the Appointed Date relating to the Transferor Company shall be continued and/or enforced until the Operative Date by the Transferor Company. As and from the Operative Date, the Tax Proceedings shall be continued and enforced by/against the Transferee Company in the same manner and to the same extent as would or might have been continued or enforced by or against the Transferor Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

300

PART III – CANCELLATION OF SHARES, CHANGE OF CAPITAL, CHANGE IN THE OBJECT CLAUSE AND ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

10. CANCELLATION OF SHARES

10.1. Upon the Scheme coming into effect, all the shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued, or payment made in cash whatsoever by the Transferee Company in lieu of such shares held by it in the Transferor Company.

10.2. Upon coming into effect of this Scheme, the shares and the share certificates held by the Transferee Company in the Transferor Company shall without any further application, act or deed be deemed to have been automatically cancelled and be no effect without any necessity of them being surrendered.

11. INCREASE IN AUTHORISED CAPITAL OF TRANSFEREE COMPANY

11.1. Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Transferor Company amounting to Rs. 7,01,00,000 (Rupees Seven Crore One Lakh only) divided into 70,10,000 equity shares of Rs. 10/- (Rupees Ten only) each. The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and for this purpose, the stamp duty and fees paid on the authorized share capital of the Transferor Company shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

11.2. It is clarified that the approval of the shareholders of Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Act.

12. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY

12.1. Upon the Scheme becoming operative, the accounting for the amalgamation would be done in accordance with accounting principles generally accepted in India and shall comply with the accounting standards as applicable for accounting the amalgamation and the same shall not be impacted by the date on which the conditions specified under clause 16 of the Scheme are fulfilled.

12.2. On the Scheme becoming effective, the Transferor and the Transferee Company being under common control, the amalgamation of the Transferor Company with the Transferee Company shall be accounted by the Transferee Company in its books of accounts as follows:

12.2.1. Notwithstanding anything contained in any other clause in the Scheme, amalgamation shall be accounted for in accordance with the "Pooling of Interest Method" in accordance with the Appendix C of Indian Accounting Standard 103 – "Business Combinations" (Ind-AS 103) as notified under Section 133 of the Companies Act 2013 *read with rules issued thereunder and other generally accepted accounting principles in India.*

12.2.2. All the assets and liabilities appearing in the books of accounts of the Transferor Company shall stand transferred to and vested in the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by the Transferee Company at its respective book values. No adjustments shall be made to the carrying amounts of the assets and liabilities as reflected in the books of Transferor Company on the Appointed Date.

12.2.3. The balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.

12.2.4. The amount of any inter-company balances, amounts between the Transferor Company and the Transferee Company, appearing in the books of the respective companies, shall be eliminated, upon the Scheme coming into effect, and the corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be.

12.2.5. The carrying amount of investments in equity of the Transferor Company as appearing in the books of the Transferee Company, shall stand cancelled.

12.2.6. The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Companies. As a result of preserving the identity, reserves which are available for distribution as dividend, if any before the amalgamation would also be available for distribution as dividend after the amalgamation.

12.2.7. The financial information in the financial statements in respect of prior periods shall be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

12.2.8. In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.

12.2.9. The difference, if any, arising pursuant to the above treatments as mentioned in Clause 12.2.1 to 12.2.8 shall be adjusted such that in case of credit be transferred to capital reserve and in case of debit be adjusted against either revenue reserve or capital reserve or if there are no reserves or inadequate reserves, transferred to Amalgamation Adjustment Deficit Account.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

NEOPLUS HEALTH SERVICES LIMITED HYDERABAD

13. TRANSACTIONS BETWEEN THE APPOINTED DATE AND DURING THE TRANSITION PERIOD

During the period from the Appointed Date to the end of the Transition Period:

13.1. The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed its businesses and Undertaking for and on account of and in trust for the Transferee Company;

13.2. The Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence;

13.3. With effect from Appointed Date and up to and including the Transition Period, Transferor Company shall not sell, transfer or alienate, charge, mortgage or encumber or otherwise deal with or dispose of any of their Undertaking or any part thereof save and except in each case:

(a) if the same is in the ordinary course of business of the Transferor Company as carried on by it as on the date of filing this Scheme with the Tribunal; or

(b) if the same is expressly permitted by this Scheme; or

(c) if the prior written consent of the Board of Directors of the Transferee Company has been obtained.

13.4. All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred or arising to the Transferor Company, shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.

13.5. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities/ agencies concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require, to carry on the business of the Transferor Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

NEOPLUS HEALTH SERVICES LIMITED HYDERABAD

13.6. The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior written consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company, as the case may be, prior to the Appointed Date for the Scheme.

13.7. Except by mutual consent of the Board of Directors of Transferor Company and Transferee Company(s), or except pursuant to any prior commitment, obligation or arrangement existing or undertaken by Transferor Company and/or Transferee Company as on the date of sanction of this Scheme by the Board of Directors of Transferee Company and the Transferor Company, or except as contemplated in this Scheme pending sanction of this Scheme, the Transferor Company and/or the Transferee Company shall not make any change in their capital structures either by way of any increase (by issue of equity shares, bonus shares, convertible debentures, convertible securities or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization or in any other manner, which would have the effect of re-organization of capital of Transferor Company and/or Transferee Company.

13.8. All assets acquired and all liabilities incurred by the Transferor Company after the Appointed Date for the Scheme but prior to the Operative Date for operation of and in relation to the Transferee Company shall also without any further Act, instrument or deed stand transferred to and vested in or be deemed to have been transferred to or vested in the Transferee Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to encumbrances in favour of lenders, banks and/or financial institutions.

13.9. With effect from the Operative Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business of the Transferor Company earlier carried on by the Transferor Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

NEOPLUS HEALTH SERVICES LIMITED HYDERABAD

14. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Company under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date and during the Transition Period, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

PART IV - DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME OF AMALGAMATION AND OTHER MATTERS CONSEQUENTIAL AND INTEGRALLY CONNECTED THERETO

15. DISSOLUTION

On the Scheme becoming effective, the Transferor Company shall stand dissolved, without going through the process of winding up and without further acts and deeds by parties on such terms and conditions as the Tribunal may direct or determine.

16. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

(a) The approval of respective requisite majority of respective class of shareholders and / or creditors (where applicable) of the Transferor Company and Transferee Company in accordance with the Act, and the requisite order or dispensation that may be granted by the Tribunal in relation to obtaining such consent from the shareholders and/or creditors as applicable.

(b) The requisite consent, approval or permission of any Appropriate Authorities, if any, which by law may be necessary for the implementation of this Scheme;

(c) The Tribunal having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Transferor Company and Transferee Company;

(d) The certified/authenticated copies of the order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and

(e) Compliance with such other conditions as may be imposed by the Tribunal.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

17. FILING OF APPLICATION/ PETITION WITH THE TRIBUNAL.

The Transferor Company and the Transferee Company shall with all reasonable diligence, make and file application, affidavits, petition etc. before the Tribunal having jurisdiction the registered offices of the Transferor Company and the Transferee Company are situated, for obtaining the sanction to this Scheme with such modifications as may be approved by the Tribunal under Sections 230 to 232 and other applicable provisions of the Act read with Rules made thereunder and for dissolution of the Transferor Company without being wound-up.

18. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may carry out or assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Tribunal and/ or any other Appropriate Authority, having jurisdiction over the Scheme, may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors or the person(s)/ committee). The Transferor Company and the Transferee Company by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any Appropriate Authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Company and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the Tribunal, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

D PLUS HEALTH SERVICES LIMITED HYDERABAD

Notwithstanding anything contained above, the Transferor Company and the Transferee Company may approach the Tribunal for dispensing with any requirement for ensuring the due implementation of the Scheme and act in accordance with any consequent directions or orders of Tribunal.

20. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of this Scheme the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Operative Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

21. POWER TO WITHDRAW THE SCHEME AT ANYTIME

In the event of any condition or amendment or modification that may be imposed by the Tribunal or any Appropriate authority, or if the Board of Directors of the Transferor Company or the Board of Directors of the Transferee Company, may find it unacceptable for any reason or if the Board of Directors of the Transferor Company or Transferee Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

22. COSTS, CHARGES AND EXPENSES

All costs, charges, levies and expenses (including stamp duty, if applicable) in relation to or in connection with the implementation thereof or to the completion of amalgamation of the Undertaking of the Transferor Company into the Transferee Company in pursuance of this Scheme shall be borne by the Transferee Company.

23. MISCELLANEOUS

In case any doubt or difference or issue shall arise among the Transferor Company and the Transferee Company or any of their shareholders, creditors, employees and/ or persons entitled to or claiming any right to any shares in the Transferor Company or the Transferee Company, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of Directors of the Transferor Company and the Transferee Company, and the decision arrived at therein shall be final and binding on all concerned.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

B S R & Associates LLP
Chartered Accountants

Salarpuria Knowledge City, Orwell, B Wing,
6th Floor, Unit-3, Sy No. 83/1, Plot No. 02,
Raidurg, Hyderabad – 500 081 – India
Tel: +91 407 182 2000
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Statutory Auditors' Certificate in relation to the proposed accounting treatment to be followed in the books of account of MedPlus Health Services Limited as specified in the proposed Scheme of Amalgamation between MedPlus Health Services Limited ("Transferee Company") and MHS Pharmaceuticals Private Limited ("Transferor Company") and their respective shareholders and creditors pursuant to Sections 230 to 232 of the Companies Act, 2013.

1. This certificate is issued in accordance with the terms of our letter of engagement dated 19 February 2019 and addendum to the engagement letter dated 27 April 2023.
2. We have been requested by the Board of Directors of MedPlus Health Services Limited ("The Company" or "The Transferee Company") to issue a certificate in relation to the proposed accounting treatment as specified in "Clause 12 - Accounting treatment in the books of transferee company" of the Proposed Scheme of Amalgamation between MHS Pharmaceuticals Private Limited ("Transferor Company") with the Company and their respective shareholders in terms of provisions of Section 230 to 232 of the Companies Act, 2013 ('the Act), other applicable provisions of the said Act and rules made thereunder ('Proposed Scheme'), as reproduced under Annexure A of this certificate, with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other generally accepted accounting principles in India.
3. The proposed scheme is approved by the Board of Directors of the Company and of the transferor Company on 9 January 2023 and 9 January 2023 respectively and is subject to approval of the respective Shareholders and Creditors of the Company and the transferor company, Registrar of Companies ('ROC'), the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of this proposed scheme is 1 April 2023.

Management's responsibility

4. The responsibility for the preparation of the Proposed Scheme and Annexure A of this certificate and its compliance with the relevant provision of the Act, other relevant laws and regulations, including the applicable Ind AS read with the Rules issued thereunder and the other generally accepted accounting principles in India as aforesaid, is that of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme and Annexure A of this

certificate and applying an appropriate basis of preparation; compliance with the relevant laws and regulations, including the applicable Ind AS read with the rules issued thereunder and other Generally Accepted Accounting Principles in India as aforesaid, to the extent applicable and making estimates that are reasonable in the circumstances.

6. The management is also responsible for ensuring that the Company provides all relevant information with respect to the Proposed scheme to the NCLT and Statutory and Regulatory Authorities.

Auditors' responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Act, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in 'Clause 12- Accounting treatment in the books of transferee company of the Proposed Scheme and as reproduced in Annexure A to this certificate is in conformity with the Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other generally accepted accounting principles in India. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid proposed Scheme.

8. We conducted our examination of the proposed accounting treatment referred to in 'Clause 12- Accounting treatment in the books of transferee company' of the proposed scheme and reproduced under Annexure A to this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 1 April 2023 in the Proposed Scheme.

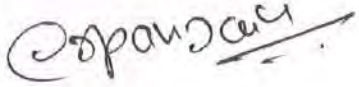
    Based on our examination and according to the information and explanations and representations given to us, the proposed accounting treatment in Clause 12 of the Proposed Scheme and reproduced in Annexure A to this certificate, stamped by us for the purpose of identification only, is in conformity with Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standards prescribed under Section 133 of the Act and Other generally accepted accounting principles in India.

Restriction on use

11. This certificate has been issued at the request of the Board of Directors of the Transferee Company solely for the purpose of onward submission to ROC, the NCLT and other statutory authorities in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act read with the relevant rules thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or

any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024



Arpan Jain
Partner
Membership number: 125710
UDIN: 23125710BGYBQK1884

Place: Hyderabad
Date: 12 May 2023

Statutory Auditors' Certificate in relation to the proposed accounting treatment to be followed in the books of MedPlus Health Services Limited as specified in the proposed Scheme of Arrangement between MedPlus Health Services Limited ("Transferee Company") and MHS Pharmaceuticals Private Limited ("Transferor Company") and their respective shareholders and creditors. *(continued)*

Appendix A- Accounting treatment in the books of the Transferee Company

Clause 12. Accounting Treatment

12.1 Upon the Scheme becoming operative, the accounting for the amalgamation would be done in accordance with accounting principles generally accepted in India and shall comply with the accounting standards as applicable for accounting the amalgamation and the same shall not be impacted by the date on which the conditions specified under clause 16 of the Scheme are fulfilled.

12.2 On the Scheme becoming effective, the Transferor and the Transferee Company being under common control, the amalgamation of the Transferor Company with the Transferee Company shall be accounted by the Transferee Company in its books of accounts as follows:

12.2.1. Notwithstanding anything contained in any other clause in the Scheme, amalgamation shall be accounted for in accordance with the "Pooling of Interest Method" in accordance with the Appendix C of Indian Accounting Standard 103 – "Business Combinations" (Ind-AS 103) as notified under Section 133 of the Companies Act 2013 read with rules issued thereunder and other generally accepted accounting principles in India

12.2.2 All the assets and liabilities appearing in the books of accounts of the Transferor Company shall stand transferred to and vested in the Transferee Company, as the case may be pursuant to the Scheme and shall be recorded by the Transferee Company at its respective book values. No adjustments shall be made to the carrying amounts of the assets and liabilities as reflected in the books of Transferor Company on the Appointed Date.

12.2.3 The balance of the retained earnings appearing in the financial statements of the Transferor Company is aggregated with the corresponding balance appearing in the financial statements of the transferee. Alternatively, it is transferred to General Reserve, if any.

12.2.4 The amount of any inter-company balances, amounts between the Transferor Company and the Transferee Company, appearing in the books of the respective companies, shall be eliminated, upon the Scheme coming into effect, and the corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities as the case may be.

12.2.5 The carrying amount of investments in equity of the Transferor Company as appearing in the books of the Transferee Company, shall stand cancelled.

12.2.6 The identity of the reserves of the Transferor Company, if any, shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner in which they appeared in the financial statements of the Transferor Companies. As a result of preserving the identity, reserves which are available for distribution as dividend, if any before the amalgamation would also be available for distribution as dividend after the amalgamation.

12.2.7 The financial information in the financial statements in respect of prior periods shall be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.



12.2.8 In case of any differences in accounting policies between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the Financial Statements reflect the financial position on the basis of consistent accounting policies.

12.29 The difference, if any, arising pursuant to the above treatments as mentioned in Clause 12.2.1 to 12.2.8 shall be adjusted such that in case of credit be transferred to 'capital reserve' and in case of debit be adjusted against either 'revenue reserve' or 'capital reserve' or if there are no reserves or inadequate reserves, transferred to 'Amalgamation Adjustment Deficit Account'.

Clause 16. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

(a) The approval of respective requisite majority of respective class of shareholders and / or creditors (where applicable) of the Transferor Company and Transferee Company in accordance with the Act, and the requisite order or dispensation that may be granted by the Tribunal in relation to obtaining such consent from the shareholders and/or creditors as applicable.

(b) The requisite consent, approval or permission of any Appropriate Authorities, if any, which by law may be necessary for the implementation of this Scheme;

(c) The Tribunal having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Transferor Company and Transferee Company;

(d) The certified/authenticated copies of the order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company; and

(e) Compliance with such other conditions as may be imposed by the Tribunal.

MedPlus Health Services Limited

REPORT UNDER SECTION 232(2) (C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF MEDPLUS HEALTH SERVICES LIMITED ("COMPANY") AT ITS MEETING HELD ON MONDAY, JANUARY 09, 2023 AT 10:30 A.M. THROUGH VIDEO CONFERENCING FACILITATED AT THE REGISTERED OFFICE OF THE COMPANY AT H. NO: 11-6-56, SURVEY NO: 257 & 258/1, OPP: IDPL RAILWAY SIDING ROAD, MOOSAPET, KUKATPALLY, HYDERABAD - 500037, TELANGANA.

The Scheme of Amalgamation under Section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for amalgamation of MHS Pharmaceuticals Private Limited (hereinafter referred to as "**Transferor Company**") with MedPlus Health Services Limited (hereinafter referred to as "**Transferee Company**") ("**Scheme**") was approved by the Board of Directors of the Transferee Company at its meeting held on January 9, 2023.

At the outset, the rationale of the amalgamation as mentioned in the draft Scheme are being enumerated below:

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

As per the provisions of Section 232(2)(c) of the Companies Act, 2013 ("**Act**"), the Directors of the Company are required to adopt a report explaining the effect of the Scheme on the equity shareholders, directors, key managerial personnel, promoters and non-promoter shareholders and to set out, in particular, the share exchange ratio, and the same is required to be circulated to the equity shareholder and creditors of the Company along with the notice convening the meeting, if the Tribunal does not dispense with calling of such meeting. This report has accordingly been made for adoption by the Board in pursuance of requirements under Section 232(2)(c) of the Act.

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Regd. Off: H.No: 11-6-56, Sy. No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyd-500 037, TS, India. ✆ : 040-6724 6724
CIN No: L85110TG2006PLC051845 | **Website:** www.medplusindia.com | **Email:** medplus@medplusindia.com

A. Effects of the Scheme in terms of Section 232(2)(C) of the Act

a. Equity shareholders:

The rights and obligations of each of the equity shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

b. Promoters and non-promoters:

The implementation of the proposed Scheme shall not adversely affect the Promoters and non-promoters of the Transferee Company.

c. Creditors:

The implementation of the proposed Scheme does not affect the rights of the creditors of the Company. There will not be any reduction in amounts payable to the creditors of the Company post sanctioning of the Scheme.

d. Directors:

The implementation of the proposed Scheme shall not adversely affect the Directors of the Company.

e. Key Managerial Personnel and Employees.:

The employees of the Transferee Company shall continue as employees and would in no way be affected by the implementation of the Scheme.

Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company shall be deemed to have become staff, workmen and employees of the Transferee Company without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.

Further, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority.

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Regd. Off: H.No: 11-6-56, Sy. No: 257 & 258/1, Opp: IDPL Railway Siding Road, Moosapet, Kukatpally, Hyd-500 037, TS, India. ✆ : 040-6724 6724
CIN No: L85110TG2006PLC051845 | **Website:** www.medplusindia.com | **Email:** medplus@medplusindia.com

f. Depositors and Deposit Trustees:

As on date, the Company do not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.

g. Debenture Holders and Debentures Trustees:

As on date, the Company do not have any outstanding debentures and therefore the question of the Scheme having an effect on any such debenture holders and debenture trustee does not arise.

B. Share Exchange Ratio:

The Transferor Company is currently a wholly owned subsidiary of the Transferee Company.

On amalgamation of Transferor Company with the Transferee Company, no shares shall be issued or allotted in respect of the holding of the shares by the Transferee Company in the Transferor Company. Hence, there is no valuation required and no share exchange ratio determined.

While deliberating the Scheme, the Board considered its impact on each of above-mentioned stakeholder and is of the view that the Scheme is in the best interest of each of the stakeholder and no prejudice is caused to them in any manner by the Scheme.

-//Certified True Copy//-

For MedPlus Health Services Limited

Madhukar Reddy Gangadi
Managing Director & CEO
DIN No: 00098097

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Date: January 09, 2023
Place: Hyderabad

Annexure D

REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF MHS PHARMACEUTICALS PRIVATE LIMITED ("COMPANY") AT ITS MEETING HELD ON MONDAY, JANUARY 09, 2023 AT 10:00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT H. NO: 11-6-56, SURVEY NO: 257 & 258/1, OPP: IDPL RAILWAY SIDING ROAD, MOOSAPET, KUKATPALLY, HYDERABAD 500037, TELANGANA, INDIA.

The Scheme of Amalgamation under Section 232 read with Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for amalgamation of MHS Pharmaceuticals Private Limited (hereinafter referred to as "**Transferor Company**") with MedPlus Health Services Limited (hereinafter referred to as "**Transferee Company**") ("**Scheme**") was approved by the Board of Directors of the Transferee Company at its meeting held on January 9, 2023.

At the outset, the rationale of the amalgamation as mentioned in the draft Scheme are being enumerated below:

(i) Greater integration, financial strength and flexibility for the Transferee Company, which will improve the financial position of the Transferee Company;

(ii) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities and to further improve shareholder's value;

(iii) Greater management focus would help in achieving uniform corporate policies and faster/effective decision making and its implementation;

(iv) The Transferor Company and Transferee Company intend to achieve synergies in economies of scale, unified control of operations and efficiency by consolidating the business operations of the Transferor Company and the Transferee Company;

(v) Greater leverage in operation planning, cost savings are expected to flow from more focused operational efforts, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses; and

(vi) The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

As per the provisions of Section 232(2)(c) of the Companies Act, 2013 ("**Act**"), the Directors of the Company are required to adopt a report explaining the effect of the Scheme on the equity shareholders, directors, key managerial personnel, promoters and non-promoter shareholders and to set out, in particular, the share exchange ratio, and the same is required to be circulated to the equity shareholder and creditors of the Company along with the notice convening the meeting, if the Tribunal does not dispense with calling of such meeting. This report has accordingly been made for adoption by the Board in pursuance of requirements under Section 232(2)(c) of the Act.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

A. Effects of the Scheme in terms of Section 232(2)(C) of the Act

a. Equity shareholders:

The rights and obligations of each of the equity shareholders of the Transferor Company and Transferee Company respectively are not impacted in any way post sanctioning of the Scheme.

b. Promoters and non-promoters:

The implementation of the proposed Scheme shall not adversely affect the Promoters and non-promoters of the Company.

c. Creditors:

The implementation of the proposed Scheme does not affect the rights of the creditors of the Company. There will not be any reduction in amounts payable to the creditors of the Company post sanctioning of the Scheme.

d. Directors:

The implementation of the proposed Scheme shall not adversely affect the Directors of the Company.

e. Key Managerial Personnel and Employees.:

Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Company shall be deemed to have become staff, workmen and employees of the Transferee Company without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company (i.e. cost-to-company basis, in monetary terms) shall not be less favourable than those applicable to them with reference to their employment with the Transferor Company.

Further, the provident fund, gratuity fund, superannuation fund, leave encashment and any other special scheme or benefits created or existing for the benefit of Employees pertaining to the Transferor Company, shall be continued on the same terms and conditions by the Transferee Company and the Transferee Company shall stand substituted for the Transferor Company for all purposes and intents, whatsoever, relating to the administration or operations of such schemes or funds or in relation to the obligation to make contributions to the said funds, in accordance with the provisions of applicable laws or otherwise. It is the intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company without need of any fresh approval from any statutory authority.

The employees of the Transferee Company shall continue as employees and would in no way be affected by the implementation of the Scheme.

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

f. Depositors and Deposit Trustees:

As on date, the Company do not have any outstanding public deposits and therefore the question of the Scheme having an effect on any such depositors and deposit trustee does not arise.

g. Debenture Holders and Debentures Trustees:

As on date, the Company do not have any outstanding debentures and therefore the question of the Scheme having an effect on any such debenture holders and debenture trustee does not arise.

B. Share Exchange Ratio:

The Transferor Company is currently a wholly owned subsidiary of the Transferee Company.

On amalgamation of Transferor Company with the Transferee Company, no shares shall be issued or allotted in respect of the holding of the shares by the Transferee Company in the Transferor Company. Hence, there is no valuation required and no share exchange ratio determined.

While deliberating the Scheme, the Board considered its impact on each of above-mentioned stakeholder and is of the view that the Scheme is in the best interest of each of the stakeholder and no prejudice is caused to them in any manner by the Scheme.

-//Certified True Copy//-

For MHS Pharmaceuticals Private Limited

Bhaskar Reddy Cherukupalli
Director
DIN: 00926550

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Date: January 09, 2023
Place: Hyderabad

B S R & Associates LLP
Chartered Accountants

Annexure E

Salarpuria Knowledge City, Orwell, B Wing,
6th Floor, Unit-3, Sy No. 83/1, Plot No. 02,
Raidurg, Hyderabad – 500 081 – India
Tel: +91 407 182 2000
Fax: +91 407 182 2399

Independent Auditor's Report

To the Members of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) (the "Company"), its employee benefit trust which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's Responsibilities Relating to Other Information.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company/ Trustees of the employee benefit trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of company/trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors/Trustees are responsible for overseeing the financial reporting process of the company/trust..

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of key Microsoft Excel Spreadsheets related to financial reporting and Payroll Software which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors between 1 April 2023 to 26 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 46 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

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

Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad

Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

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

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

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	**Gross carrying value** (Rs. in millions)	**Held in the name of**	**Whether promoter, director or their relative or employee**	**Period held- indicate range, where appropriate**	**Reason for not being held in the name of the Company. Also indicate if in dispute**
Free hold Land	5.51	Natco Pharma Limited	No	20 December 2020	Note 1 below

Note 1: The aforesaid land has been transferred to the company vide agreement of sale dated 20 December 2020. However, the Company is in the process of completing the registration. Also refer Note: 3a to the Standalone financial statements.

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in and granted loan to companies, in respect of which the requisite information are as below. The Company has not made any investments in or granted loan to firms, limited liability partnership or any other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other company as below:

Particulars	Loans (Rs. in millions)
Aggregate amount during the year Subsidiaries*	2.00
Balance outstanding as at balance sheet date Subsidiaries*	17.82**

**As per the Companies Act, 2013.*

** Outstanding balances of Rs. 17.82 millions has been fully provided for.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans to its subsidiary during the year are, prima facie, not prejudicial to the interest of the Company. Further, the company has not provided gurantees and advances in nature of loans and gurantees during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated except for the loan of Rs. 4.5 millions given to it's subsidiary, Kalyani Meditimes Private Limited which is repayable on demand. As informed to us, the company has not demanded repayment of loan during the year. Further, in respect of other loans, repayment of principal and payment of interest have been regular except for the following

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

Name of the entity	Amount (Rs. in millions)	Due Date (in range of dates)	Extent of delay (in range of days)	Remarks, if any
Kalyani Meditimes Private Limited	6.00	6 April 2022 - 10 May 2022	51 - 85	Delay in repayment of Principal.
Kalyani Meditimes Private Limited	11.32	30 September 2022 - 27 February 2023	Not repaid	Overdue principal amounts. Note 1 below.
Kalyani Meditimes Private Limited	1.14	6 April 2022 - 10 May 2022	51 - 85	Delay in repayment of Interest.
Kalyani Meditimes Private Limited	3.16	30 September 2022 - 27 February 2023	Not repaid	Overdue interest amounts. Note 1 below.

Further, the Company has not given any advance in the nature of loan to any party during the year.

Note 1: These overdues have been fully provied for.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans (and advance in the nature of loan) given except an amount of Rs. 11.32 millions (principal amount) and Rs 3.16 millions (interest) overdue for more than ninety days as at 31 March 2023. In our opinion, reasonable steps have been taken by the Company for recovery of the principal and interest. Further, the Company has not given any advance in the nature of loan to any party during the year

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its subsidiary, being related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	Related Parties
Aggregate of loans/advances in nature of	4.5

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

	Related Parties
loan (Rs. in millions) - Repayable on demand	
Percentage of loans/advances in nature of loan to the total loans	25.25%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured and services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax (GST), Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-tax Act, 1961	Income-tax	34.86	FY 2020-21	Commissioner of Income-tax (Appeals),	

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 ***(Continued)***

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
				Telangana	

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of initial public offer for the purposes for which they were raised though idle/surplus funds which were not required for immediate utilisation have been invested in fixed deposits with Banks. The Company has not raised any moneys by way of further public offer (including debt instruments) during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 46 (x) to the standalone financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

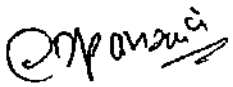
Also refer to the Other Information paragraph of our main audit report which explains that the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

other information comprising the information included in Annual Report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024



Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited) for the year ended 31 March 2023 *(Continued)*

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

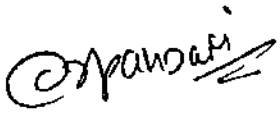
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

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



Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQV8047

Place: Hyderabad

Date: 25 May 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Balance sheet as at March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3a	935.58	389.17
Capital work-in-progress	3b	179.09	155.20
Other Intangible assets	3c	34.14	28.24
Right-of-use assets	4	824.40	432.74
Financial assets			
Investments	5	9,171.58	4,184.50
Other financial assets	7	25.75	19.15
Non-current tax assets (net)	8	24.68	26.99
Other non-current assets	9	18.36	65.16
		11,213.58	5,301.15
Current Assets			
Inventories	10	66.87	39.00
Financial assets			
Trade receivables	13	376.11	212.88
Cash and cash equivalents	11	357.03	9.38
Bank balances other than cash and cash equivalents	12	544.60	65.00
Loans	6	-	27.82
Other financial assets	7	55.62	6,167.90
Other current assets	9	105.61	51.41
		1,505.84	6,573.39
Total Assets		12,719.42	11,874.54
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	238.61	238.60
Other equity	15	11,174.17	10,889.21
Total Equity		11,412.78	11,127.81
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Lease liabilities	17	808.15	416.84
Provisions	19	18.35	7.14
		826.50	423.98
Current Liabilities			
Financial liabilities			
Lease liabilities	17	49.89	27.32
Trade payables	16		
- Total outstanding dues to micro and small enterprises		3.61	0.43
- Total outstanding dues to other than micro and small enterprises		124.28	54.87
Other financial liabilities	18	229.61	204.78
Other current liabilities	20	21.02	22.40
Contract liabilities	21	41.40	5.59
Provisions	19	10.33	7.36
		480.14	322.75
Total Liabilities		1,306.64	746.73
Total Equity and Liabilities		12,719.42	11,874.54
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125716

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of profit and loss for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	22	2,139.26	1,457.14
Other income	23	162.39	95.41
Total income (I)		2,301.65	1,552.55
Expenses			
Purchases of stock-in-trade	24	1,314.91	972.12
Cost of materials consumed	25	257.77	193.56
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(3.96)	20.00
Employee benefits expense	27	281.45	137.32
Finance costs	29	85.45	26.31
Depreciation and amortisation expense	28	153.07	46.32
Impairment reversals (net)	5	(89.44)	-
Other expenses	30	226.54	101.13
Total expenses (II)		2,225.79	1,496.76
Profit before tax (III) = (I)-(II)		75.86	55.79
Tax expense			
- Current tax		20.42	-
Total tax expense (IV)		20.42	-
Profit for the year (V) = (III)-(IV)		55.44	55.79
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement (Loss)/Gain on employee defined benefit plans (VI)	33	(3.56)	1.17
Income tax effect on the above (VII)		-	-
Other comprehensive (Loss)/Gain for the year (VIII) = (VI)+(VII)		(3.56)	1.17
Total comprehensive income for the year (IX) = (V)+(VIII)		51.88	56.96
Earnings per equity share (EPES) (In absolute Rs. terms)	31		
Basic		0.46	0.50
Diluted		0.46	0.50
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of Changes in equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

A. Equity Share Capital:

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.60	-	238.60	0.01	238.61

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
4.58	-	4.58	234.02	238.60

* Refer note 14(a).

B S R & Associates LLP • CHARTERED ACCOUNTANTS •

MEDPLUS HEALTH SERVICES LIMITED * HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of Changes in equity for the year ended March 31, 2023 (Contd)
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

B. Other equity

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Reserves and surplus						Total other equity
		Securities premium	Share based payment reserve	General reserve	Amalgamation adjustment account	Capital reserve	Retained earnings	
As at April 1, 2021	3,708.06	2,415.25	488.55	28.64	(98.39)	7.62	(1,377.41)	5,170.32
Employee stock compensation expenses for the year(refer note- 34)	-	-	107.37	-	-	-	-	107.37
Stock options lapsed	-	-	(3.42)	3.42	-	-	-	-
Equity shares								
- 0.001% Series A CCPS	(56.72)	28.36	-	-	-	-	-	(28.36)
- 0.001% Series B CCPS	(239.03)	119.52	-	-	-	-	-	(119.51)
- 0.001% Series B1 CCPS	(61.07)	30.54	-	-	-	-	-	(30.53)
- 0.001% Series B2 CCPS	(66.62)	33.63	-	-	-	-	-	(32.99)
- 0.001% Series C1 CCPS	(11.22)	5.61	-	-	-	-	-	(5.61)
- 0.001% Series C2 CCPS	(3.20)	1.28	-	-	-	-	-	(1.92)
Less: Transfer Series A CCPS securities premium to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-
Less: Transfer Series C1 CCPS securities premium to securities premium	(751.12)	751.12	-	-	-	-	-	-
Less: Transfer Series C2 CCPS securities premium to securities premium	(214.46)	214.46	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-
Proceeds from issue of equity shares under ESOP	-	5.86	-	-	-	-	-	5.86
Less: Share issue expenses	-	(217.27)	-	-	-	-	-	(217.27)
Add: Issue of new shares through IPO (refer note no. 47)	-	5,954.91	-	-	-	-	-	5,954.91
Profit for the year	-	-	-	-	-	-	55.79	55.79
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	1.17	1.17
As at March 31, 2022	0.00	11,831.48	113.94	355.03	(98.39)	7.62	(1,320.45)	10,889.21
Employee stock compensation expenses for the year(refer note- 34)	-	-	221.19	-	-	-	-	221.19
Transfer on account of exercise of share options	-	30.78	(30.78)	-	-	-	-	-
Proceeds from issue of equity shares under ESOP	-	11.89	-	-	-	-	-	11.89
Profit for the year	-	-	-	-	-	-	55.44	55.44
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	-	(3.56)	(3.56)
As at March 31, 2023	-	11,874.13	304.35	355.03	(98.39)	7.62	(1,268.56)	11,174.17

B S R & Associates LLP
CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED
HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone Statement of Changes in equity for the year ended March 31, 2023 (Contd)
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(i) Par value of the instruments issued:		
0.001% Series A CCPS of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	-	-
0.001% Series B1 CCPS of Rs.20/- each		
At the beginning of the year		61.07
Less: Conversion of 0.001% Series B1 CCPS in to equity shares	-	(61.07)
At the end of the year	-	-
0.001% Series B2 CCPS of Rs.20/- each		
At the beginning of the year		66.62
Less: Conversion of 0.001% Series B2 CCPS in to equity shares	-	(66.62)
At the end of the year	-	-
0.001% Series C1 CCPS of Rs.20/- each		
At the beginning of the year		11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	-	-
0.001% Series C2 CCPS of Rs.20/- each		
At the beginning of the year		3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Closing balance	-	-
Amount included in 'Equity component of compound financial instruments' above	-	-

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone statement of cash flows for the year ended March 31, 2023.
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	75.86	55.79
Adjustments for:		
Depreciation of property, plant and equipment and Amortisation of Intangible assets	77.02	14.23
Depreciation of right-of-use assets	76.06	32.09
Provision for gratuity and leave benefits	11.05	3.60
Provision for doubtful debts	0.43	0.35
Advances/debts written off	0.13	-
Provision for doubtful loans and advances	3.51	-
Interest on lease liabilities	65.45	25.85
Interest income	(142.15)	(75.85)
Financial guarantee income	(1.47)	(9.29)
Liabilities no longer required written back	(2.69)	(0.02)
Impairment Provision reversals	(69.44)	-
Gain on de-recognition of right-of-use assets	(2.03)	(1.76)
Employees stock option compensation expenses	18.07	17.28
Operating profit before working capital changes	109.80	62.27
Change in assets and liabilities		
Decrease/(Increase) in inventories	(27.87)	8.85
Increase in non-current financial assets	(25.01)	(27.01)
(Increase)/Decrease in current financial assets	(7.71)	(237.84)
Increase in other assets	(49.10)	(29.78)
Increase in current financial liabilities	133.86	42.62
Increase/(Decrease) in other current liabilities	(1.38)	20.61
Decrease in provisions	(0.43)	(3.33)
Cash generated from/(used in) operations	132.16	(163.61)
Taxes paid (net of refund)	(18.11)	(20.13)
Net cash generated from/(used in) operating activities (A)	114.05	(183.74)
Cash flow from investing activities		
Purchase of property, plant and equipment and Intangibles including capital work-in-progress and capital advances	(617.42)	(406.28)
Proceeds from sale of property, plant and equipment	7.87	33.78
Investment in subsidiaries	(4,691.70)	(0.10)
Business Purchase consideration paid	-	(13.50)
Proceeds from investment in subsidiaries	-	-
Loan given to Subsidiaires	(2.00)	(23.32)
Repayment of loan from Subsidiaires	12.00	-
Proceeds / (Investment) in bank deposits, net	5,432.95	(5,988.07)
Interest received	175.49	37.57
Net cash generated from/(used in) investing activities (B)	317.19	(6,359.92)
Cash flows from financing activities		
Proceeds from issue of equity shares	-	5,936.36
Proceeds from issue of equity shares under ESOP's (refer to note 34)	11.89	5.86
Share Issue expenses (refer note 47)	-	(217.27)
Interest Payment on Lease liabilities (refer note b)	(65.45)	(25.85)
Principal Repayment of lease liabilities	(30.03)	(12.85)
Net cash (used in)/generated from financing activities (C)	(83.59)	5,686.25

B S R & Associates LLP • CHARTERED ACCOUNTANTS •

MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Standalone statement of cash flows for the year ended March 31, 2023.
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022
Net (decrease) / increase in cash and cash equivalents (A+B+C)		347.65	(857.41)
Cash and cash equivalents at the beginning of the year		9.38	866.79
Cash and cash equivalents at the end of the year		357.03	9.38
Components of cash and cash equivalents			
Cash on hand		0.55	0.28
Deposits with original maturity of less than 3 months		345.60	-
Balance with banks in current accounts		10.88	9.10
Total cash and cash equivalents (refer note no.11)		357.03	9.38
Summary of significant accounting policies	2.2		

Notes:

a. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of cash flows.

b. Refer note 35 for change in lease liabilities raising from financing activities

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

1. Corporate information

MedPlus Health Services Limited (the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Company is in the business of pathological laboratory testing and manufacturing, wholesale trading and contract manufacturing of pharma, fast-moving consumer goods and beauty products and rendering of management services to group companies and holds investments in subsidiary companies. The Company was converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28 June 2021 and accordingly the corporate identification number (CIN) changed to U85110TG2006PLC051845.

The Company was the subsidiary of Gangadi Investments Private Limited until 05 February 2021.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2023 and authorised for issue on May 25, 2023.

2. Significant accounting policies

2.1 a. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of preparation

The standalone financial statements of a company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period,

(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.

(iii) Share-Based payments are measured at fair value.

c. Functional and presentation currency

These standalone financial statements are presented in Indian rupees (Rs.), which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest millions (Rs. 000,000), unless otherwise indicated. The amount reflected as "0.00" in financials are value with less than ten thousand.

2.2 Summary of significant accounting policies

a. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

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2.2 Summary of significant accounting policies

a. Recent accounting pronouncements: (continued)

Ind AS 12 – Income Taxes

The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract (2022)

The amendment specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework (2022)

The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use (2022)

The amendment mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

b. Significant accounting, estimates and assumptions

The preparation of these standalone financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the standalone financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the standalone financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:-

Note 35- Leases

Assumptions and estimation uncertainties

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements are:

Impairment of trade receivables

The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

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2.2 Summary of significant accounting policies (continued)

b. Significant accounting, estimates and assumptions (continued)

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

Contingent liabilities

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease of the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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2.2 Summary of significant accounting policies (continued)

c. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The Managing Director is the Company CODM within the meaning of Ind AS 108.

d. Current and non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Foreign currencies

Initial recognition

Transactions in foreign currencies are translated into functional currency of the company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in the statement of profit and loss in the period in which they arise.

f. Fair Value Measurement

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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2.2 Summary of significant accounting policies (continued)

f. Fair Value Measurement (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

Brand Fee

Brand fee is a percentage on revenue generated by the subsidiaries, recognised on accrual basis in accordance with the terms of the relevant agreement and there is significant certainty as to its collectability.

Management & Administrative fee Income

Management fee is recognised based on the services rendered and as per the terms of agreement and there is significant certainty as to its collectability.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Company recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Company measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price.

The amount collected on sale of discount coupon is recognised as liability and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired.

Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

h. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

2.2 Summary of significant accounting policies (continued)

h. Taxes (continued)

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except, When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the standalone statement of profit or loss is recognised outside the standalone statement ofprofit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

I. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified es inventories.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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2.2 Summary of significant accounting policies (continued)

i. Property, Plant and Equipment (continued)

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the standalone statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule III
Furniture and fixtures	10	10
Vehicles	10	10
Data Processing Equipment	3-6	3-6
Plant and Equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Company represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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2.2 Summary of significant accounting policies (continued)

l. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of leese term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-laase basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the laase term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset erising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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2.2 Summary of significant accounting policies (continued)

m. Inventories

Inventories comprise of raw materials, packing materials, finished goods, stock-in-trade and stores and consumables and are valued at lower of cost or net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business reduced by the estimated costs of completion and estimated costs necessary to make the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories until expected to be capitalised.

The factors that the Company considers in determining the valuation of inventory includes shelf life and ageing of inventory. The Company considers these factors and adjust valuation to reflect actual value of inventory.

n. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognised in the standalone statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

o. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

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2.2 Summary of significant accounting policies (continued)

p. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the standalone statement of profit and loss in the subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

q. Employee share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The standalone statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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2.2 Summary of significant accounting policies (continued)

q. Employee share based payments (continued)

The amount of expenses pertaining to options granted to employees of the Company's subsidiaries are treated as Deemed Investments in respective subsidiaries to which employees belong and are recognised at each reporting period date until the vesting date, with corresponding impact in Share-based payment reserve.

Service and non-market performance conditions are not teken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards thet do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Company's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees.

The company allocated shares to Trust at the time of formation of trust. The Company treats trust as its extension and these equity instruments are recognised at cost and deducted from equity.

r. Financial Instruments

A financial instrument is any contract thet gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus except for trade receivables, transaction costs that are attributable to the acquisition of the financial asset.Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments et fair velue through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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2.2 Summary of significant accounting policies (continued)

r. Financial Instruments (continued)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it valuates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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2.2 Summary of significant accounting policies (continued)

r. Financial Instruments (continued)

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities :

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

Compound instruments

Compound financial instruments issued by the company comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Company first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequently the liability is measured as per requirement of Ind AS 109.The equity component of a compound financiel instrument is not subsequently measured.

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2.2 Summary of significant accounting policies (continued)

r. Financial Instruments (continued)

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depende on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the standalone statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s. Financial Guarantee

In a financial guarantee where the parent company has provided guarantee to its subsidiaries, Company treats the fair value of the guarantee as an equity infusion at the time of initial recognition and subsequently recognize the Guarantee premium over the period of guarantee.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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2.2 Summary of significant accounting policies (continued)

u. Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

v. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the standalone statement of profit and loss.

w. Earnings per equity share

Basic earnings equity per share is calculated by dividing the net profit or loss attributable to equity holder of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings equity per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

y. Share issue expenses

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

z. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

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3a. Property, plant and equipment

Particulars	Land	Leasehold improvements	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Total
Gross carrying amount							
As at April 01, 2021	79.50	4.04	89.28	2.62	3.21	2.82	181.47
Additions	63.80	25.18	169.65	8.84	9.02	0.85	277.34
Disposals	-	-	(34.89)	(0.15)	(0.20)	(0.34)	(35.58)
As et March 31, 2022	143.30	29.22	224.04	11.31	12.03	3.33	423.23
Additions	7.77	122.79	438.50	23.56	18.04	3.34	614.00
As at March 31, 2023	151.07	152.01	662.54	34.87	30.07	6.67	1,037.23
Accumulated Depreciation							
Up to April 01, 2021	-	1.93	16.22	1.51	2.84	0.61	23.11
Charge for the year	-	1.71	9.03	1.36	0.36	0.29	12.75
Disposals	-	-	(1.40)	(0.04)	(0.02)	(0.34)	(1.80)
Up to March 31, 2022	-	3.84	23.85	2.83	3.18	0.56	34.06
Charge for the year	-	13.67	45.64	6.06	1.72	0.50	67.59
Disposals	-	-	-	-	-	-	-
Up to March 31, 2023	-	17.31	69.49	8.89	4.90	1.06	101.65
Net carrying amount							
As at March 31, 2022	143.30	25.58	200.18	8.48	8.85	2.77	389.17
As at March 31, 2023	151.07	134.70	593.05	25.98	25.17	5.61	935.58

Title deeds of Immovable Properties not held in name of the Company:

Particulars	Description of item of property	Gross carrying value as on March 31, 2023	Gross carrying value as on March 31, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	5.51	63.80	Natco Pharma Limited	No	December 20, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale dated December 20, 2020. However, the Company is in the process of completing the registration of the same.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

3b. Capital work-in-progress

	As at March 31, 2023	As at March 31, 2022
Opening Balances	165.20	20.09
Additions during the year	614.01	244.05
Less: Capitalised during the year	(590.12)	(108.94)
Closing Balance	179.09	165.20

Note: The Company does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan.

Capital work-in-progress Ageing Schedule
As at March 31, 2023

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	167.82	3.09	8.18	-	179.09
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	143.39	11.81	-	-	165.20
Projects temporarily suspended	-	-	-	-	-

3c. Intangible assets

	Software	Total intangible assets
Gross carrying amount		
As at April 01, 2021	0.09	0.09
Additions	29.71	29.71
As at March 31, 2022	29.80	29.80
Additions	23.20	23.20
Disposals (Refer Note 39(8))	(11.18)	(11.18)
As at March 31, 2023	41.82	41.82
Accumulated Amortisation		
Up to April 01, 2021	0.08	0.08
Charge for the year	1.48	1.48
Up to March 31, 2022	1.56	1.56
Charge for the year	9.43	9.43
Disposals	(3.31)	(3.31)
Up to March 31, 2023	7.68	7.68
Net carrying amount		
As at March 31, 2022	28.24	28.24
As at March 31, 2023	34.14	34.14

Note: The Company doesn't have Intangible Assets under development

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4. Right-of-use assets

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (Refer note: 35A)	824.40	432.74
	824.40	432.74

5. Investments

	As at March 31, 2023	As at March 31, 2022
Investments in subsidiaries carried at cost less impairment (refer note: 1)		
a) Unquoted equity instruments		
209,784,441 (March 31, 2022: 199,521,041) equity shares of Rs.10 each fully paid-up in Optival Health Solutions Private Limited (refer note: 1)	8,271.15	3,599.46
7,010,000 (March 31, 2022: 7,010,000) equity shares of Rs.10 each fully paid-up in MHS Pharmaceuticals Private Limited (Refer Note:49)	70.10	70.10
6,860,000 (March 31, 2022: 6,860,000) equity shares of Rs.10 each fully paid-up in Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)	68.60	68.60
14,077,350 (March 31, 2022: 14,077,350) equity shares of Rs.10 each fully paid-up in Wynclark Pharmaceuticals Private Limited (formerly known as Med supply Distributors Private Limited)	140.77	140.77
20,000,000 (March 31, 2022: Nil) equity shares of Rs.10 each fully paid-up in MedPlus Insurance Brokers Private Limited	20.00	-
10,000 (March 31, 2022: 10,000) equity shares of Rs.10 each fully paid-up in Clearancekart Private Limited	0.10	0.10
386,636 (March 31, 2022: 386,636) equity shares of Rs.10 each fully paid-up in Kalyani Meditimes Private Limited	35.00	35.00
Aggregate gross value of unquoted investments (A)	8,605.72	3,914.02
b) Deemed investment (refer note 39)		
Optival Health Solutions Private Limited	591.23	388.03
MHS Pharmaceuticals Private Limited	1.92	1.92
Venkata Krishna Enterprises Private Limited	7.37	6.21
Sidson Pharma Distributors Private Limited	0.34	0.09
Aggregate value of deemed investments (B)	600.86	396.25
Aggregate value of unquoted investments including deemed investments (C=A+B)	9,206.58	4,310.27
Less: Impairment in value of investments	(35.00)	(125.77)
Aggregate amount of impairment in value of investments (D)	(35.00)	(125.77)
Total (C+D)	9,171.58	4,184.50
Aggregate value of unquoted investments including deemed investments	9,206.58	4,310.27
Aggregate provision for impairment in value of investments	35.00	125.77
Movement in provision for impairment:		
Opening balance	(125.77)	(125.77)
Created during the year	(35.00)	-
Reversals during the year	125.77	-
Closing balance	(35.00)	(125.77)

Note 1
The Company holds 100% (31 March 2022: 100%) of the shareholding in all subsidiaries except for Optival Health Solutions Private Limited and Kalyani Meditimes Private Limited (KMT) wherein the Company's holding constitutes to 99.99% & 66.11% respectively (31 March 2022: 99.99% and 65.53% respectively) of the paid-up capital of the subsidiary.

Note 2	March 31, 2023	March 31, 2022
Impairment reversal of Wynclark Pharmaceuticals Private Limited	125.77	-
Provision for impairment of investment in KMT	(35.00)	-
Provision on loan and other receivables from KMT	(21.33)	-
Net Impairment Reversal	69.44	-

The Company has performed an assessment of realisability of the carrying value of its investments in subsidiaries as at 31 March 2023, pursuant to which an amount of Rs.125.77 recognized as an impairment loss towards investments in Wynclark Pharmaceuticals Private Limited during the earlier years has now been reversed. This reversal was mainly due to significant improvement in the operational and financial performance of the aforesaid subsidiary leading to consistent profits being earned from its operations and the Company's plan with respect to the future operations.
Further, pursuant to the aforesaid said assessment carried out, Company has also recognized a provision towards impairment of its investments and loans receivable (including interest receivables) from Kalyani Meditimes Private Limited (KMT) to the tune of Rs.35.00 and Rs. 21.33, respectively. The provision for impairment was mainly on account of a significant decline in the operations of KMT.

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6. Loans

	As at March 31, 2023	As at March 31, 2022
Loans receivables considered good- secured	-	-
Loans receivables considered good- unsecured	-	-
Loan to related party (refer note below)	17.82	27.82
Loans receivable which have significant increase in credit risk	-	-
Loans receivable- credit impaired	-	-
	17.82	27.82
Less: Loss allowance	(17.82)	-
	-	27.82

Note:

Loan 1

The Company has given loan to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable monthly. The loan is repayable on demand within one working day of such demand. The outstanding balance of the loan as at March 31, 2023 is Rs 4.50 millions (March 31, 2022 : 4.5 millions)

Loan 2

The Company has given loan to Kalyani Meditimes Private Limited ("Borrower") for use by the borrower towards its working capital and general corporate use purposes and carries an interest rate of 18% p.a. and payable yearly. The loan is repayable in 12 months from the issue date. The Outstanding balance of the loan as at March 31, 2023 is Rs. 13.32 millions (March 31, 2022 : 23.32 millions)

7. Other financial assets

		As at March 31, 2023	As at March 31, 2022
(a) Non-current			
Unsecured, considered good			
Security deposits		25.75	19.15
	(A)	25.75	19.15
Unsecured, considered Doubtful			
Security deposits		0.46	0.46
		0.46	0.46
Less: Provision for doubtful deposits		(0.46)	(0.46)
	(B)	-	-
Total	(A+B)	25.75	19.15
(b) Current			
Unsecured, considered good			
Bank Deposits with remaining maturity of less than 12 months		10.52	5,923.07
Deposit with others*		30.00	30.00
Interest accrued on bank deposits		4.83	41.46
Advance to employees		1.33	1.09
Share issue expense receivable**		8.94	172.28
Total current		55.62	6,167.90

* Deposits paid to Bombay Stock Exchange Limited ('BSE') in connection with IPO.

** The Company has spent / accrued Rs. 536.83 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and company in proportion of their shares. The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders / IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

8. Non-current tax asset

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance Tax (Net of provision Rs. 20.43 (March 31, 2022: Rs. Nil))	24.68	26.99
Total	24.68	26.99

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9. Other assets	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
Unsecured, considered good		
Capital advances	17.95	59.65
Balances with statutory or government authorities	0.41	5.51
Unsecured, considered doubtful		
Balances with statutory or government authorities	0.11	0.11
Advance to vendors	7.02	-
	25.49	65.27
Provision for doubtful balances	(7.13)	(0.11)
	18.36	65.16
(b) Current		
Unsecured, considered good		
Balances with statutory or government authorities	3.08	3.69
Advance to vendors	98.30	45.72
Prepaid expenses	4.23	2.00
	105.61	51.41

10. Inventories	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost or net realisable value)		
Raw material (including packing material)	51.21	29.76
Work-in-progress	5.78	1.25
Finished goods	5.24	4.86
Stock-in-trade	-	0.95
Stores and consumables	4.64	2.18
	66.87	39.00

11. Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- On current accounts	10.88	9.10
Bank deposits with original maturity of less than three months	345.60	-
Cash on hand	0.55	0.28
	357.03	9.38

12. Other bank balances		
Bank deposits with original maturity of more than 3 months and less than 12 months	544.60	65.00
	544.60	65.00

Note: Interest accrued on fixed deposits is disclosed in note no.7(b)

13. Trade receivables	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured*	376.11	212.88
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	0.82	0.39
	376.93	213.27
Less: Loss allowance	(0.82)	(0.39)
Total	376.11	212.88

* Includes amount receivable from related parties (refer note 39 C)

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

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13. Trade receivables (continued)

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	373.67	2.42	0.01	-	-	-	376.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.04	0.50	0.28	-	-	0.82
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	373.67	2.46	0.51	0.28	-	-	376.92
Less: Loss allowance							(0.82)
							376.10

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	135.88	77.00	0.00	0.00	0.00	0.00	212.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.34	0.02	0.01	0.02	0.39
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	135.88	77.00	0.34	0.02	0.01	0.02	213.27
Less: Loss allowance							(0.39)
							212.88

Note: There are no unsecured and no disputed trade receivable outstanding as at March 31, 2023 and March 31, 2022.

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14. Share capital	As at March 31, 2023	As at March 31, 2022
Equity shares		
Authorised share capital		
(i) Equity shares of Rs.2/- each (March 31, 2022: Rs. 2/- each)		
As at beginning of the year (270,883,000 (March 31, 2022: 4,650,000) equity shares)	541.77	4.65
Cancellation of Nil (March 31, 2022: 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each)	-	439.00
Increase during the year (Nil (March 31, 2022: 49,058,000) equity shares)	-	98.12
As at end of the year (270,883,000 (March 31, 2022: 270,883,000 equity shares of Rs. 2/- each) equity shares of Rs.2 /- each)	541.77	541.77
*On July 23, 2021 the equity shares of the Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 465,000 equity shares of face value of Rs.10 each were subdivided into 2,325,000 equity shares of face value of Rs. 2 each.		
(ii) Preference shares of Rs.20/- each		
As at beginning of the year Nil Preference shares (March 31, 2022: 21,950,000) of Rs.10/- each preference shares	-	439.00
Cancellation of 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each	-	(439.00)
As at end of the year (Nil (March 31, 2022: Nil) preference shares)	-	-
Total Authorised share capital	541.77	541.77
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(i) Equity shares		
119,305,676 equity shares of Rs.2/- each	238.61	238.61
Less: Amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 10,420 (March 31, 2022: 21,764 equity shares of Rs.10/- each) equity shares of Rs. 2/- each (refer note 34)	-	(0.01)
Total issued, subscribed and fully paid up equity share capital	238.61	238.60
Total issued, subscribed and fully paid up share capital	238.61	238.60

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14. Share capital (continued)

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

i) Equity shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	11,93,05,676	238.60	4,58,409	4.58
Increase in shares on account of subdivision *	-	-	18,33,636	-
Conversion of Series A CCPS in to equity shares	-	-	1,41,82,105	28.36
Conversion of Series B CCPS in to equity shares	-	-	5,97,58,400	119.52
Conversion of Series B1 CCPS in to equity shares	-	-	1,52,67,800	30.54
Conversion of Series B2 CCPS in to equity shares	-	-	1,68,16,850	33.63
Conversion of Series C1 CCPS in to equity shares	-	-	28,04,480	5.61
Conversion of Series C2 CCPS in to equity shares	-	-	6,39,485	1.28
Increase in shares on account of Fresh Issue of shares in IPO**	-	-	75,44,511	15.09
Outstanding at the end of the year	11,93,05,676	238.60	11,93,05,676	238.61
Less : Recoverable from ESOP trust	-	-	(4,19,841)	(0.01)
Net outstanding at the end of the year	11,93,05,676	238.60	11,88,85,835	238.60

* On July 23, 2021 the equity shares of the Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 458,409 equity shares of face value of Rs.10 each were subdivided into 2,292,045 equity shares of face value of Rs.2 each.

** The Company has completed its Initial Public Offer ('IPO') and listed its equity shares on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on December 23, 2021.The Company has made fresh issue of 7,544,511 equity shares.(refer note 46 for details of the same)

ii) 0.001% Series A CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	28,36,421	56,72,842
Conversion of Nil (March 31, 2022: 2,836,421), 0.001% Series A CCPS into Nil (March 31, 2022: 14,182,105) equity shares of Rs.2 each	-	-	(28,36,421)	(56,72,842)
Outstanding at the end of the year	-	-	-	-

iii) 0.001% Series B CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,19,51,680	239.03
Conversion of Nil (March 31, 2022: 11,951,680), 0.001% Series B CCPS into Nil (March 31, 2022: 59,758,400) equity shares of Rs.2 each	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	-	-	-	-

iv) 0.001% Series B1 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	30,53,560	61.07
Conversion of Nil (March 31, 2022: 3,053,560), 0.001% Series B1 CCPS into Nil (March 31, 2022: 15,267,800) equity shares of Rs.2 each	-	-	(30,53,560)	(61.07)
Outstanding at the end of the year	-	-	-	-

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

14. Share capital (continued)

v) 0.001% Series B2 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	33,31,120	66.62
Conversion of Nil (March 31, 2022: 1,654,702), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,273,510) equity shares of Rs.2 each	-	-	(16,54,702)	(33.09)
Conversion of Nil (March 31, 2022: 1,876,418), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,543,340) equity shares of Rs.2 each	-	-	(16,76,418)	(33.53)
Outstanding at the end of the year	-	-	-	-

vi) 0.001% Series C1 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	5,60,896	11.22
Conversion of Nil (March 31, 2022: 560,896), 0.001% Series C1 CCPS into Nil (March 31, 2022: 2,804,480) equity shares of Rs.2 each	-	-	(5,60,896)	(11.22)
Outstanding at the end of the year	-	-	-	-

vii) 0.001% Series C2 CCPS

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,60,147	3.20
Conversion of Nil (March 31, 2022: 160,147), 0.001% Series C2 CCPS into Nil (March 31, 2022: 639,485) equity shares of Rs.2 each	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	-	-	-	-

(b)Terms and rights attached to equity shares

(i) Equity shares

The Company has only one class of equity shares having par value of Rs.2 per share (March 31, 2022- Rs. 2 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and paye dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 0.001% Series A CCPS

The Company has issued 0.001% Series A CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

iii) 0.001% Series B CCPS

The Company has issued 0.001% Series B CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

iv) 0.001% Series B1 CCPS

The Company has issued 0.001% Series B1 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

14. Share capital (continued)

(b)Terms and rights attached to equity shares (continued)

v) 0.001% Series B2 CCPS
The Company has issued 0.001% Series B2 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis.

vi) 0.001% Series C1 CCPS
The Company has issued 0.001% Series C1 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

vii) 0.001% Series C2 CCPS
The Company has issued 0.001% Series C2 CCPS having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the company on any resolutions of the company directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

(c) Terms of conversion of preference shares

i) 0.001% Series A CCPS
0.001% Series A CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS , not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B CCPS
0.001% Series B CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

iii) 0.001% Series B1 CCPS
0.001% Series B1 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

iv) 0.001% Series B2 CCPS
0.001% Series B2 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

14. Share capital (continued)

(c) Terms of conversion of preference shares (continued)

v) 0.001% Series C1 CCPS

0.001% Series C1 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 CCPS

0.001% Series C2 CCPS having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):

a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and

b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

(d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs.2 each fully paid up				
G.Madhukar Reddy	1,53,50,400	12.87%	1,53,50,400	12.87%
PI Opportunities Fund I	1,68,34,759	14.11%	1,68,34,759	14.11%
Lavender Rose Investment Ltd	1,77,59,127	14.88%	2,05,63,607	17.24%
Lone furrow investment private limited	1,72,33,240	14.44%	1,72,33,240	14.44%
Agilemed Investments Private Limited	1,56,49,495	13.12%	1,56,49,495	13.12%
SBI Mutual Fund	79,00,000	6.62%	1,06,23,576	8.90%

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

14. Share capital (continued)

(e) During the five years immediately preceding the year, ended March 31, 2023, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (g) below.

(f) Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (Refer note 34)

(g) Details of Bonus issue	Number of shares
During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i) 1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii) 1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii) 40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv) 40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilemed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v) 40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilemed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi) 40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
	2,13,96,708

(h)

Details of Promoter shareholding	As at March 31, 2023			As at March 31, 2022	
Promoter Name	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares
Madhukar Reddy Gangadi	1,53,50,400	12.87%	0.00%	1,53,50,400	12.87%
Agilemed Investments Private Limited	1,56,49,495	13.12%	0.00%	1,56,49,495	13.12%
Lone Furrow Investment Limited	1,72,33,240	14.44%	0.00%	1,72,33,240	14.44%

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15. Other equity

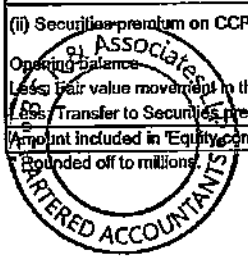
	As at March 31, 2023	As at March 31, 2022
(i) Securities premium		
Opening balance	11,835.53	2,492.69
Add: Issue of shares (refer note 14(a))	-	5,984.91
Less: Share issue expenses	-	(217.27)
Add: Conversion of CCPS to equity shares	-	3,166.15
Add: Transferred from share based payment reserve upon exercise of options	30.78	409.05
Add: Proceeds from issue of equity shares issued under ESOP	10.70	-
Less: Utilized for issue of bonus shares	-	-
	11,877.01	11,835.53
Less: Amount recoverable from ESOP trust (refer note 34)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	67.51
Add: Proceeds from issue of equity shares under ESOP	7.05	5.86
	(2.88)	(4.07)
Closing Balance	11,874.13	11,831.46
(ii) Equity component of compound financial instruments		
Opening balance	-	3,708.06
Less: Conversion of 0.001% Series A CCPS	-	(56.72)
Less: Conversion of 0.001% Series B CCPS	-	(239.03)
Less: Conversion of 0.001% Series B1 CCPS	-	(61.07)
Less: Conversion of 0.001% Series B2 CCPS	-	(66.62)
Less: Conversion of 0.001% Series C1 CCPS	-	(11.22)
Less: Conversion of 0.001% Series C2 CCPS	-	(3.20)
Less: Transfer of Series A CCPS securities premium in to securities premium account	-	(1,981.65)
Less: Transfer of Series C1 CCPS securities premium in to securities premium account	-	(751.12)
Less: Transfer of Series C2 CCPS securities premium in to securities premium account	-	(214.46)
Less: Transfer of Series C2 CCPS fair value increment in to General reserve	-	(322.97)
Closing Balance	-	-

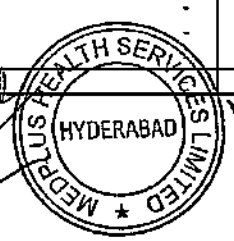
Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(i) Par value of the instruments issued:		
0.001% Series A CCPS of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS	-	(56.72)
At the end of the year	-	-
0.001% Series B CCPS of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS	-	(239.03)
At the end of the year	-	-

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
0.001% Series B1 CCPS of Rs.20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS	-	(61.07)
At the end of the year	-	-
0.001% Series B2 CCPS of Rs.20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS	-	(66.62)
At the end of the year	-	-
0.001% Series C1 CCPS of Rs.20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C1 CCPS	-	(11.22)
At the end of the year	-	-
0.001% Series C2 CCPS of Rs.20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-

Equity component of compound financial instruments includes the following:	As at March 31, 2023	As at March 31, 2022
(ii) Securities premium on CCPS issued		
Opening balance	-	3,708.06
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Less: Transfer to Securities premium account due to conversion of CCPS in to Equity	-	(3,385.09)
Amount included in 'Equity component of compound financial instruments' above	-	-

Rounded off to millions.





	As at March 31, 2023	As at March 31, 2022
(iii) Share based payment reserve		
Opening balance	113.94	486.55
Add: Gross compensation for options granted during the year	221.19	107.37
Less: Transfer to Security premium account	(30.78)	(409.05)
Less: Stock options lapsed	-	(3.42)
Less: Transfer to Amount Recoverable From ESOP Trust	-	(67.51)
Closing balance	304.35	113.94
(iv) General reserve		
Balance at the beginning of the year	355.03	28.64
Add: Stock options lapsed	-	3.42
Add: Fair value movement in the value of the CCPS transfer to general reserve	-	322.97
Balance at the end of the year	355.03	355.03

15. Other equity (continued)

	As at March 31, 2023	As at March 31, 2022
(v) Capital reserve		
Opening balance (refer note no; 44)	7.62	7.62
Add: During the year	-	-
Closing balance	7.62	7.62
(vi) Amalgamation adjustment account		
Opening balance (refer note no; 44)	(98.39)	(98.39)
Closing balance	(98.39)	(98.39)
(vii) Retained earnings		
Opening balance	(1,320.45)	(1,377.41)
Profit for the year	55.44	55.79
Other comprehensive (loss)/ income for the year	(3.56)	1.17
Closing balance	(1,268.57)	(1,320.45)
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi)+(vii))	11,174.17	10,889.21

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Company has granted equity settled share based payment plans for certain categories of employees of the Company. (Refer note 34).

c) General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Retained earnings

Retained earnings are profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

e) Capital reserve

Capital reserve represents reserve created as part of common control transaction (business transfer) in financial year 2021.

f) Amalgamation adjustment account

Represents reserve created as part of common control transaction (business transfer) in financial year 2021.

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16. Trade payables

	As at March 31, 2023	As at March 31, 2022
- Total outstanding dues to micro and small enterprises ('MSME') (refer note 38)	3.61	0.43
- Total outstanding dues to other than micro and small enterprises ('MSME'):		
- to related parties (refer note 39)	1.36	-
- to others	122.92	54.87
	127.89	55.30

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	0.01	3.60	-	-	-	3.61
(ii) Others	0.18	106.36	0.05	0.07	-	106.66
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	0.19	109.96	0.05	0.07	-	110.26
Accrued expenses						17.63

Ageing of trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	Morethan 3 years	
(i) MSME	-	0.43	-	-	-	0.43
(ii) Others	1.92	48.32	0.44	-	0.02	50.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1.92	48.75	0.44	-	0.02	51.13
Accrued expenses						4.17
						55.30

17. Lease liabilities

	As at March 31, 2023	As at March 31, 2022
Non-current		
Lease liabilities (refer note 35 C)	808.15	416.84
	808.15	416.84
Current		
Lease liabilities (refer note 35 C)	49.89	27.32
	49.89	27.32

18. Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Creditors for capital goods	20.20	18.23
Employee dues payable	33.42	10.56
Purchase consideration payable	175.99	175.99
	229.61	204.78

19. Provisions

	As at March 31, 2023	As at March 31, 2022
(a) Non-current		
Provision for gratuity, partly funded (refer note 33)	18.35	7.14
	18.35	7.14
(b) Current		
Provision for gratuity, partly funded (refer note 33)	1.45	1.38
Provision for compensated absences, unfunded	8.88	5.98
	10.33	7.36

20. Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	21.02	22.40
	21.02	22.40

21. Contract liabilities

	As at March 31, 2023	As at March 31, 2022
Advance from customers	2.34	1.18
Unearned revenue	39.06	4.41
	41.40	5.59
Movement in unearned revenue on Membership Fees		
As at beginning of the year	4.41	-
Collected during the year	114.99	4.90
Revenue recognised during the year	(80.34)	(0.49)
As at end of the year	39.06	4.41

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22. Revenue from Contract with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Revenue from Operations		
Sale of services	305.54	74.76
Sale of general and pharmaceutical items	1,718.21	1,285.95
	2,023.75	1,360.71
b. Other operating revenue		
Management and administrative fees income	48.75	41.44
Brand fee	66.76	54.99
	115.51	96.43
Total	2,139.26	1,457.14

Refer note 39 for transactions with related parties

Disclosures as per Ind AS 115 - Revenue from contract with customers

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers at contracted price	2,193.04	1,462.95
Less: Discounts offered	(169.29)	(102.24)
Revenue from contract with customers	2,023.75	1,360.71

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on segment:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Diagnostic services	305.54	74.76
Sale of general and pharmaceutical items	1,718.21	1,285.95
Revenue from contract with customers	2,023.75	1,360.71

c. Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the year ended March 31, 2023 and March 31, 2022:

As at beginning of the year	4.41	-
Collected during the year	114.99	4.90
Revenue recognised during the year	(80.34)	(0.49)
As at end of the year	39.06	4.41

d. Revenues from significant customers

Revenues from one customer amounts to Rs. 1,718.20 (March 31, 2022: Rs. 979.95) which is 100% of total revenue (March 31, 2022 76%)

e. Contract balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (refer note 13)	376.11	212.88
Advance from customers (refer note 21)	2.34	1.18
Unearned revenue on membership fees (refer note 21)	39.06	4.41

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23. Other Income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
- On bank deposits	134.66	71.95
- Others	7.49	3.90
Rental income (refer notes 35B and 39)	6.31	3.30
Financial guarantee income (Refer note 39)	1.47	9.29
Liabilities no longer required written back	2.69	0.02
Gain on de-recognition of right-of-use assets	2.03	1.76
Miscellaneous income	7.74	5.19
	162.39	95.41

24. Purchases of stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	1,283.83	972.12
Transport Charges	31.08	-
	1,314.91	972.12

25. Cost of materials Consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw materials (including stores and consumables) at the beginning of the year	31.94	20.79
Add: Purchases during the year	281.69	204.71
Less: Raw materials (including stores and consumables) at the end of the year	55.86	31.94
	257.77	193.56

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	4.86	5.97
Work-in-progress	1.25	0.71
Stock-in-trade	0.95	20.38
	7.06	27.06
Less : Inventories at the end of the year		
Finished goods	5.24	4.86
Work-in-progress	5.78	1.25
Stock-in-trade	-	0.95
	11.02	7.06
Change in inventories	(3.96)	20.00

27. Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	236.72	109.14
Contribution to provident fund and other funds (refer note 33)	12.05	3.82
Gratuity expense (refer note 33)	7.80	2.70
Employees stock option compensation expenses (refer note 34)	18.07	17.28
Staff welfare expenses	6.81	4.38
	281.45	137.32

28. Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 3a)	67.59	12.75
Amortisation on intangible asset (refer note 3c)	9.43	1.48
Depreciation on right-of-use assets (refer note 35)	76.05	32.09
	153.07	46.32

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29. Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities (refer note 35C)	65.45	25.85
Interest on others	-	0.46
	65.45	26.31

30. Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates and taxes	3.91	8.67
Electricity charges	25.72	5.72
Communication costs	1.63	0.26
Travelling and conveyance	6.75	2.84
Printing and stationary	7.62	1.67
Legal and Professional charges - Doctors Fees	56.90	-
Legal and Professional charges - Others	27.08	29.02
Payment to auditors (refer details below)	1.71	1.86
Directors sitting fees	4.85	3.85
Insurance	2.98	1.07
Repairs and maintenance		
- Plant and machinery	14.52	5.09
- Others	-	-
Advertisement and sales promotion	62.84	34.09
Provision for doubtful debts	0.43	0.35
Provision for doubtful Advances	3.51	-
Advances/debts written off	0.13	-
Miscellaneous expenses	5.96	6.64
	226.54	101.13

Payment to Statutory auditor

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditors:		
Statutory audit fee*	1.50	1.37
Certification fee	-	0.32
Reimbursement of expenses	0.21	0.17
	1.71	1.86

* Auditor's fees of Rs 18.81 towards IPO related for the year ended March 31, 2022 deliverables is not included.

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31. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company	55.44	55.79
Earnings per equity share		
Weighted average number of shares for considered for Basic EPES		
(i) Equity shares		
Number of shares at the beginning of the year	11,93,05,676	4,36,645
Weighted average number of shares issued during the year	-	20,46,319
Add: Conversion of preference shares to equity shares	-	4,77,74,742
Add: Exercise of employee stock options during the period	-	65,813
Add: Increase on account of share split during the year	-	17,46,580
Weighted average number of shares outstanding during the year	11,93,05,676	5,20,70,099
(ii) CCPS		
Number of shares at the beginning of the year	-	2,10,23,264
Add: Increase on account of share split during the year*	-	8,40,93,056
Add: Exercise of employee stock options during the year	-	26,32,517
Less: Conversion of preference shares to equity shares	-	(4,77,74,742)
Weighted average number of shares outstanding during the year	-	5,99,74,095
Weighted average number of shares considered for Basic EPES (i)+(ii)	11,93,05,676	11,20,44,194
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year	3,45,267	4,31,204
Weighted average number of equity shares for diluted EPES*	11,96,50,943	11,24,75,398
Face value of each equity share (in absolute Rs. terms)	2.00	2.00
Face value of each CCPS considered as equity (in absolute Rs. terms)	-	-
Earnings per equity share (in absolute Rs. terms)		
- Basic	0.46	0.50
- Diluted	0.46	0.50

* In line with the requirements of para 28 of Ind AS 33, for the purpose of EPES calculations, bonus shares issued and share split have been considered as if the event of bonus issue/ share split had occurred at the beginning of the earliest year presented.

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32. Taxes

(a) The major components of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are:

(i) Profit or loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
Current income tax charge	20.42	-
Interest on income tax	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense recognised in standalone statement of Profit and Loss	20.42	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit/(Loss) before tax	75.86	55.79
Enacted tax rate in India	25.17%	25.17%
Expected tax expenses	19.09	14.04
Tax effect on impairment reversals	(22.84)	-
Tax effect on others	12.56	(14.04)
Tax for earlier years	11.61	-
Total Tax expense	20.42	-
Tax expense as per standalone Statement of Profit and Loss Account	20.42	-

(c) As a matter of prudence, the Company has not recorded deferred tax asset (net) aggregating to Rs.257.49 (March 31, 2022: Rs.134.43), since the Company is not probable that taxable profit will be available against which the deferred tax asset can be utilized. The details of deferred tax asset considered to the extent of deferred tax liabilities are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	212.21	109.78
Deferred tax assets	(212.21)	(109.78)
Net amount accounted	-	-

The Company has business losses amounting to Rs. 116.12 which can be carried forward for the next 7 years and unabsorbed depredation loss amounting to Rs. 8.24.

Note 1:

The Company has received a demand notice of Rs. 34.86 on account of certain disallowances and additions to the total income. The Company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts by an independent external consultant, the Company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

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33. Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Company has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded in the form of a qualifying insurance policy managed by Life Insurance Corporation of India.

The components of gratuity cost recognised in the standalone statement of profit and loss for the year ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	12.34	11.72
Current service cost	7.14	2.06
Interest on defined obligations	0.89	0.77
Benefits paid	(0.05)	(0.97)
Re-measurements due to:		
- change in assumptions	(0.29)	(0.33)
- due to experience adjustment	3.75	(0.91)
Defined benefit obligations at the end of the year	23.78	12.34
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	3.82	1.72
Employer contributions	0.03	3.01
Employer Direct benefits payments	0.05	-
Interest on plan assets	0.28	0.19
Benefits paid	(0.05)	(0.97)
Expenses	(0.04)	(0.06)
Remeasurements-return on plan assets	(0.11)	(0.07)
Plan assets at the end of the year	3.98	3.82
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	7.14	2.06
Interest on net defined benefit liability, net	0.94	0.83
Excepted return on plan assets	(0.28)	(0.19)
Gratuity cost recognised in statement of profit and loss*	7.80	2.70

* The above amount doesn't include the gratuity cost related to employees of the acquired MHS Pharmaceuticals business.

Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(0.29)	(0.33)
Remeasurements - due to experience adjustment	3.75	(0.91)
Remeasurements - return on plan assets	0.10	0.07
Components	3.56	(1.17)

Details of the employee defined benefits obligations and plan assets are provided below:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	23.78	12.34
Fair value of plan assets	(3.98)	(3.82)
Fair value of plan assets	19.80	8.52

Bifurcation of net defined benefit liability

Particulars	As at March 31, 2023	As at March 31, 2022
Current liabilities	1.45	1.38
Non- current Liabilities	18.35	7.14
	19.80	8.52

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33. Employee benefits (continued)

I. Post Employment Benefits (continued)

A. Defined Benefits Plan - Gratuity (continued)

Sensitivity Analysis: ((Increase) / decrease in obligation)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(1.64)	(0.71)
- 1% decrease	1.88	0.81
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	1.56	0.58
- 1% decrease	(1.42)	(0.51)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(0.28)	(0.04)
- 1% decrease	0.29	0.05

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.51%	7.34%
Rate of return of plan assets	7.51%	7.34%
Attrition rate	10.00%	10.00%
Rate of compensation increase	9.00%	9.00%

The expected future cash flows in respect of gratuity were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Expected future benefit payments		
Less than a year	2.09	1.38
Between 2-5 years	10.36	6.88
More than 5 years	10.06	4.44

B. Defined Contribution Plan

Provident fund and other funds

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Company has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense towards for the year aggregated to Rs. 12.05 (March 31, 2022: Rs. 3.82) and is included in "contribution to provident fund and other funds".

II. Other benefits - Leave Encashment

The employees of the Company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leaves is recognized in the year in which the absences occur.

The amount recognised as an expense towards leave compensated absences for the year aggregated to Rs. 3.25 (March 31, 2022: Rs. 0.90).

34. Employee stock option plan

(i) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares.

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 options to the Trust.

The Company has allotted (before giving impact of bonus and split) 4,110 equity shares and 5,563 shares to the trust at premium of Rs. 0.01102 per share and Rs. 0.00578 per share respectively, aggregating total securities premium of Rs. 77.44

Amount receivable from the trust for options granted aggregating to Rs.77.54 (Face value – Rs 0.10 and Premium of Rs 77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year March 31, 2023 416 (March 31, 2022 8,760) options were exercised by employees which resulted in

(i) increase in paid up capital by March 31, 2023 Rs. 0.00 (March 31, 202: Rs. 0.09) and

(ii) increase of securities premium by March 31, 2023 Rs. Nil (March 31, 202: Rs. 67.51)

Further, recovery of Rs. 11.89 (March 31, 2022: Rs. 5.86) from ESOP trust was done on account of exercised options during the year ended March 31, 2023

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34. Employee stock option plan (continued)

Employees stock option and share plan 2009

Particulars	March 31, 2023	March 31, 2022
Number of options granted	Nil	905
Method of settlement (Cash/Equity)	NA	Equity
Vesting period	NA	300 options have vested 266 options vest over the financial year 2022-23 174 options vest over the financial year 2023-24 153 options vest over the financial year 2024-25 12 options vest over the financial year 2025-26
Exercise period	NA	4 years for 905 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	NA	None

(b) The details of the activity have been summarized below

	As at March 31, 2023 (No. of options)	As at March 31, 2022 (No. of options)
Outstanding at the beginning of the year	905	9,173
Exercisable at the beginning of the year	300	8,770
Granted during the year	-	562
Forfeited during the year	-	-
Exercised during the year	416	8,760
Vested during the year	216	355
Expired during the year	100	70
Outstanding at the end of the year*	389	905
Exercisable at the end of the year	100	300
Weighted average remaining contractual life (in years)	-	-

*One option equals to 461.25 equity shares

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

34. Employee stock option plan (continued)

(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a) The Company instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2023 the Company has granted 95,941 (March 31, 2022: 70,317) Options to its employees and 36,900 (March 31, 2022: 865,587) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of Rs 541.98 per option on March 30, 2023 (March 31, 2022: 232 per option on November 22, 2021).

Employees stock option and share plan 2021

Particulars	As at March 31, 2023	As at March 31, 2022
Number of options granted	1,32,841	935,904
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	9,594 options vest in 12 months from the grant date. 23,985options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377options vest in 36 months from the grant date.	106,316 options vest in 12 months from the grant date. 239,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 224,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 355,535 options vest in 48 months from the grant date.
Exercise period	3 years Committee may extend the Exercise period on case to case basis.	3 years Committee may extend the Exercise period on case to case basis.
Vesting conditions	None	None

(b) The details of the activity have been summarized below

Particulars	As at March 31, 2023 (No. of options)	As at March 31, 2022 (No. of options)
Outstanding at the beginning of the year	9,35,904	-
Exercisable at the beginning of the year	-	-
Granted during the year	1,32,841	9,35,904
Forfeited during the year	30,987	-
Exercised during the year	-	-
Vested during the year	1,04,328	-
Expired during the year	-	-
Outstanding at the end of the year	10,37,758	9,35,904
Exercisable at the end of the year	1,04,328	-
Weighted average remaining contractual life (in years)	-	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2023	March 31, 2022
Weighted average share price/ market value	634.55	795.80
Exercise price (Rs. per share)	541.98	232.00
Options granted	1,32,841	9,35,904
Date of grant	March 30, 2023	November 22, 2021
Expected volatility	20.00%	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period + 3 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	204.00	634.37

Effect of the employee option plan on the standalone Statement of Profit and Loss and on its financial position

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total employee compensation cost pertaining to stock option plan *	18.07	17.28
Reserves - employee stock option plan outstanding as at the period end	304.35	113.94

*Does not include Rs. 203.14 (March 31, 2022: Rs 90.1) pertaining to ESOP issued to the employees of subsidiaries.

Note: The management of the Company made an application with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during the year ended 31 March 2023 in connection with seeking their approval for allotment of equity shares of the Company to the employees of the subsidiaries granted in accordance with The ESOP 2021 plan. An in-principle approval of the BSE and NSE has been received in this regard. However, the approval is subject to ratification of the scheme and the underlying stock options granted to the employees of the subsidiaries through a separate Special Resolution by the shareholders of the Company. The necessary process to seek the approval of the shareholders has already been initiated by the management subsequent to the year ended 31 March 2023. However, in view of the management, the said process is not expected to have any impact on these financial statements, including the accounting for the stock options granted to the employees of the subsidiaries

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35. Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

A Movement of right of use asset for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Buildings	Total
Gross carrying amount as at March 31, 2021	-	77.54	77.54
Additions	-	423.43	423.43
Deletions	-	29.36	29.36
Gross carrying amount as at March 31, 2022	-	471.61	471.61
Additions	62.55	446.40	508.95
Deletions	-	46.96	46.96
Gross carrying amount as at March 31, 2023	62.55	871.05	933.60
Accumulated Depreciation			
Upto April 01, 2021	-	(9.14)	(9.14)
Depreciation charge for the year	-	(32.09)	(32.09)
Deletions	-	2.36	2.36
Upto March 31, 2022	-	(38.87)	(38.87)
Depreciation charge for the year	(2.96)	(73.09)	(76.05)
Deletions	-	5.72	5.72
Upto March 31, 2023	(2.96)	(106.24)	(109.20)
Net Carrying amounts			
Balance as at March 31, 2022	-	432.74	432.74
Balance as at March 31, 2023	59.59	764.81	824.40

* The aggregate depreciation expenses for the year on right -of-use assets is included under depreciation and amortisation expense in the Statement of profit and loss.

B The Following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short - term lease expense	-	-
Rental income from sub-lease	6.31	3.30

C Following are the changes in the lease liabilities for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Buildings	Total
Balance as at March 31, 2021	-	73.06	73.06
Additions	-	412.55	412.55
Finance cost accrued during the year	-	25.85	25.85
Deletions	-	28.60	28.60
Payment of lease liabilities	-	38.70	38.70
Balance as at March 31, 2022	-	444.16	444.16
Additions	56.08	431.11	487.19
Finance cost accrued during the year	2.12	63.33	65.45
Deletions	-	43.28	43.28
Payment of lease liabilities	4.10	91.38	95.48
Balance as at March 31, 2023	54.10	803.94	858.04

* Lease payments during the year have been disclosed under financing activities in the Statement of Cash flows.

Bifurcation of lease liabilities	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	808.15	416.84
Current lease liabilities	49.89	27.32

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35. Leases (continued)

D The following is the cash outflow on leases during the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment of lease liabilities	95.48	38.70
Short-term lease expense	-	-
Total cash outflow on leases	95.48	38.70

E The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis .

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	129.08	71.80
1 to 5 years	649.99	289.92
Over 5 years	739.61	439.09

The Company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

36. Segment reporting

In accordance with Ind AS 108, Operating Segments, segment information has been given in the consolidated financial statements of MedPlus Health Services Limited and therefore no separate disclosure on segment information is given in these standalone financial statements.

37. Capital Commitments

As at March 31, 2023 the Company has commitments of Rs. 22.51 relating to contracts remaining to be executed on capital account. (March 31, 2022: Rs.141.77)

38. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 has been made in the standalone financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	3.61	0.43
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year for delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note: This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

39. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. NovaSud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
5. Kalyani Medtimes Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director
2. C. Bhaskar Reddy – Executive Director (until 5 July 2021)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Parag Jain- Company Secretary (upto January 14, 2022)
6. Shilpi Keswani- Company Secretary (upto March 30, 2023)
7. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

(iii) Directors

1. Murali Sivaraman - Independent Director (from 11 June 2021)
2. Madhavan Ganesan - Independent Director (from 11 June 2021)
3. Hiroo Mirchandani - Independent Director (from 5 July 2021)
4. Anish Kumar Saraf- Non Executive Director
5. Atul Gupta- Non executive Director

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited) (from December 4, 2020)
3. Lone furrow investment private limited

(v) Employee Benefit Plans

1. MedPlus Employees Group Gratuity Assurance Scheme

B Related party transactions during the year ended

(i) Subsidiaries	For the year ended March 31, 2023	For the year ended March 31, 2022
1. Optival Health Solutions Private Limited		
Rental income	6.30	3.30
Lease payments [including GST of Rs. 1.85 (March 31,2022 : GST of Rs.0.94)]	12.48	6.16
Management services rendered	48.06	40.81
Brand fee received	66.76	54.99
Sale of stock-in-trade (net of taxes)	1,664.92	919.42
Sale of goods	53.28	60.53
Purchase of Materials [including GST of Rs. 0.09 (March 31,2022 : GST of Rs. Nil)]	0.56	-
Sale of intangible asset	7.84	15.70
Purchase of Property plant and equipment [including GST of Rs. 2.12 (March 31,2022 : GST of Rs. Nil)]	14.23	-
Software subscription fees received	6.25	4.43
Collection comission expense paid [including GST of Rs. 0.83 (March 31,2022 : GST of Rs. Nil)]	5.47	0.13
Amount collected on behalf of the company	64.03	-
Investment made	4,671.74	-
Deemed investment		
Corporate Guarantee income	1.47	9.29
Share-based payment expense (refer note 34)	201.73	89.55

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

B Related party transactions during the year ended (continued)

(I) Subsidiaries (continued)	For the year ended March 31, 2023	For the year ended March 31, 2022
1. MHS Pharmaceuticals Private Limited		
Management services rendered	-	0.08
Lease payments	7.17	8.27
Reimbursement of expenses	0.17	0.81
2. Wyndark Pharmaceuticals Private Limited		
Management services rendered	0.68	0.55
Reimbursement of expenses	0.14	0.01
3. Venkata Krishna Enterprises Private Limited		
Share-based payment expense	1.15	0.45
4. Kalyani Meditimes Private Limited		
Unsecured loan given (refer note 6)	2.00	23.32
Unsecured loan repayment	12.00	-
Interest on unsecured loan	3.77	3.11
Purchase of intangible asset [including GST of Rs. 3.51 (March 31,2022 . GST of Rs. Nil)]	23.01	-
Software license fees	0.02	0.45
Provision for doubtful receivables	56.33	-
5. Clearancekart Private Limited		
Investment in subsidiary (refer note 5)	-	0.10
6. Sidson Pharma Distributors Private Limited		
Share-based payment expense	0.24	0.09
7. MedPlus Insurance Brokers Private Limited		
Investment in subsidiary (refer note 5)	20.00	-
(II) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of intangible asset	-	11.19
Purchase of Property, plant and equipment	25.30	12.90
Purchase of goods	1.40	-
Sale of Property, plant and equipment	-	36.05
Reimbursement of expense	1.93	-
Lease payments	2.70	0.68
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

(iii) Key Management Personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
1. G. Madhukar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	4.00	4.00
b. Rent	0.08	0.07
2. C. Bhaskar Reddy		
a. Managerial remuneration		
- Short-term employee benefits	-	1.53
b. Share-based payment expense	-	5.14
3. Hemanth Kundavaram		
a. Remuneration		
- Short-term employee benefits	2.14	9.79
b. Share-based payment expense	-	1.85
4. Parag Jain		
a. Remuneration		
- Short-term employee benefits	-	1.01
5. Shilpi Keswani		
a. Remuneration		
- Short-term employee benefits	1.03	0.21
6. Sujit Kumar Mahato		
a. Remuneration		
- Short-term employee benefits	4.34	-
b. Share-based payment expense	0.04	-
7. Sitting fees paid to directors	4.85	3.85
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Gratuity Assurance Scheme		
Employer contributions	0.03	3.01

C Balances outstanding receivable/(payable)*	As at March 31, 2023	As at March 31, 2022
(i) Subsidiaries		
1. Optival Health Solutions Private Limited		
Trade receivables	375.21	209.70
2. MHS Pharmaceuticals Private Limited		
Purchase consideration payable	(175.99)	(176.08)
Rent payable	(1.36)	
3. Wynclark Pharmaceuticals Private Limited		
Trade receivables	0.10	0.29
4. Kalyani Medilimes Private Limited** (refer note 5)		
Loan receivable (fully provided)	17.82	27.82
Interest receivable (fully provided for)	0.66	1.20
Corporate Guarantee outstanding on behalf of Optival Health Solutions Private Limited	-	1,850.00
(ii) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Himshitsu Manufacturing Private Limited	0.30	(1.93)
(iii) Key Management Personnel		
1. G. Madhukar Reddy		
a. Rent	-	(0.01)
(iv) Employee Benefit Plans		
1. MedPlus Employees Group Gratuity Assurance Scheme		
a. Group gratuity plan asset	3.98	3.82

* Excluding equity shares of the Company, investments and deemed investments. (refer note 58.14)
** Accrued interest of Rs 2.96 (March 31, 2022 : Rs 0.95) are not included

Note:
1. All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for trade receivable, trade payable and other payables are unsecured, interest free and settlement occurs in cash. The Company has recorded impairment of balances relating to amounts owed by related party during the year ended March 31, 2023, provision for bad and doubtful debts will be made on an aggregate basis i.e. not specific to party. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.
2. Managerial remuneration does not include post employment benefit which is determined for Company as whole

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

40. Fair Values

Refer note 2.2(r)for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value	
	As at March 31, 2023	As at March 31, 2022
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	376.11	212.88
b) Cash and cash equivalents	357.03	9.38
c) Bank balances other than Cash and cash equivalents	544.60	65.00
d) Loans	-	27.82
e) Others	81.37	6,187.05
Total Financial assets	1,359.11	6,502.13
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	127.89	55.30
b) Lease liabilities	858.04	444.16
c) Others	229.61	204.78
Total Financial Liabilities	1,215.54	704.24

	Fair value	
	As at March 31, 2023	As at March 31, 2022
Financial assets (excluding investments in subsidiaries)		
Financial assets at amortised cost:		
a) Trade receivables	376.11	212.88
b) Cash and cash equivalents	357.03	9.38
c) Bank balances other than Cash and cash equivalents	544.60	65.00
d) Loans	-	27.82
e) Others	81.37	6,187.05
Total Financial assets	1,359.11	6,502.13
Financial liabilities		
Financial liabilities at amortised cost:		
a) Trade payables	127.89	55.30
b) Lease liabilities	858.04	444.16
c) Other financial liabilities	229.61	204.78
Total Financial Liabilities	1,215.54	704.24

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value hierarchy

Refer note 2.2f for accounting policy on Fair value.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

There are no transfers between levels 1 and 2 during the year.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

41. Financial risk management

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and investments. The Company's principal financial assets include investments in subsidiaries, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors is responsible for overseeing the Company's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes. The Company's Financial instruments are not affected by market risk.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Since the trade receivables are from related parties, no credit risk is observed.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 02.97, 77.34 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2023	2.46	0.51	2.97
As at March 31, 2022	77.00	0.34	77.34

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	0.39	0.04
Change during the year	0.43	0.35
Balance at the end of the year	0.82	0.39

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

41. Financial risk management (continued)

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the period subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:					
Trade payables	-	127.59	0.30	-	127.89
Lease liabilities	-	129.08	649.99	739.51	1,518.58
Other financial liabilities	-	229.61	-	-	229.61
Financial guarantee	-	-	-	-	-
	-	486.28	650.29	739.51	1,876.08

Particulars	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:					
Trade payables	-	48.75	2.38	-	51.13
Lease liability	-	71.80	289.92	439.09	800.81
Other financial liabilities	-	204.78	-	-	204.78
Financial guarantee	1,850.00	-	-	-	1,850.00
	1,850.00	325.33	292.30	439.09	2,906.72

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

42. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

Particulars	As at March 31, 2023	As at March 31, 2022
Total Borrowings net of cash and cash equivalents	-	-
Equity	238.61	238.60
Other Equity	11,174.17	10,889.21
Total Equity	11,412.78	11,127.81

Debt to equity ratio is zero, since the Company doesn't have borrowings as at March 31,2023 and March 31, 2022.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31,2023

43. Details of CSR expenditure

The Company is not required to spend any amount towards CSR as per the provisions of Sec 135 of the Companies Act, 2013 since the Company has losses in previous years.

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44. The Company does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

45. The Company has granted loans and made investment in some of its subsidiaries. Loans and Investments has been given for general corporate and working capital purpose respectively.None of those borrowings have been utillised for further advancement of loans/investment for the year ended March 31, 2023 and March 31, 2022.

46. Other statutory information

(i) Based on the available information, the Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(v) The Company have not advanced or loaned or invested funds other than disclosed in note 45 to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

(viii) The Company is not declared as Wilful Defaulter by any Bank or Financial Institution or other lender.

(ix) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(x) The company is not part of any group (as per the provisions of Core Investment Companies (Reserve Bank) Directions, 2016 as amended).

47. Initial Public Offer and Utilization of Proceeds

The Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of face value of Rs. 2 each during the year ended March 31, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Company for an amount of Rs. 6,000 and an offer for sale of 10,028,831 equity shares by certain shareholders for an amount of Rs. 7,982.95. Further, an amount of Rs. 536.83 has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer size, with the Company' share of expenses aggregating to Rs. Rs. 217.27 being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the holding Company (Net of IPO related expense) is summarized below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31, 2023	Unutilised amount as on March 31, 2023*
i) Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	4,671.70	-
ii) General Corporate Purposes	1,111.03	326.43	784.60
Total	5,782.73	4,998.13	784.60

* Out of the aforesaid unutilised proceeds, amount of Rs. 784.60 have been placed as fixed deposits with bank .

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48 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current assets	1,505.84	6,573.39
Current Liabilities	480.14	322.75
Ratio	3.14	20.37
% Change from previous year	-85%	

Reason for change more than 25%
The ratio has decreased from 20.37 in March 2022 to 3.14 in March 2023 mainly due to decrease in the other bank balances which was invested in subsidiary Company during the year ended March 31, 2023.

b) Debt Equity ratio = Total debt divided by Total shareholders equity where total debt refers to sum of current and non current borrowings	This ratio has not been computed as there are no borrowings on reporting dates

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total Interest and principal repayments	This ratio has not been computed as there are no borrowings on reporting dates

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by average Equity

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax	55.44	55.79
Average Equity	11,270.30	8,151.31
Ratio	0.00	0.01
% Change from previous year	-28%	

Reason for change more than 25%
The ratio has decreased from 0.01 in March 2022 to 0.00 in March 2023 mainly due fund receeived from IPO and the same has been invested in subsidiary Company.

e) Inventory Turnover Ratio = Cost of materials consumed divided by average inventory

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cost of materials consumed	257.77	193.56
Average Inventory	52.94	43.43
Inventory Turnover Ratio	4.87	4.46
% Change from previous year	9%	

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48 Ratios as per the Schedule III requirements (continued)

f) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales	2,139.26	1,457.14
Average trade receivables	295.10	164.19
Ratio	7.25	8.87
% Change from previous year	-18%	

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Credit Purchases	1,596.60	1,176.83
Average trade payables	91.60	39.47
Ratio	17.43	29.82
% Change from previous year	-42%	

Reason for change more than 25%
The ratio has decreased from 29.82 in March 2022 to 17.43 in March 2023 mainly due increase in the purchase of private label products.

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital = current assets - current liabilities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	2,139.26	1,457.14
Net working capital (Current assets - Current liabilities)	1,025.70	6,250.64
Ratio	2.09	0.23
% Change from previous year	809%	

Reason for change more than 25%
The ratio has increased from 0.23 in March 2022 to 2.09 in March 2023 mainly due to investment of money received through IPO into the wholly owned subsidiary and also increase in sales is due to increase in volume of private label products.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit /(loss) after tax	55.44	55.79
Sales	2,139.26	1,457.14
Ratio	0.03	0.04
% Change from previous year	25%	

Reason for change more than 25%
The ratio has decreased from 0.04 in March 2022 to 0.03 in March 2023 mainly due to decrease in net profit after tax.

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit after tax (A)	55.44	55.79
Finance Costs (B)	65.45	26.31
Tax expenses (C)	20.42	-
EBIT (D) = (A)+(B)+(C)	141.31	82.10
Total Equity (E)	11,412.78	11,127.81
Other Intangible assets (F)	34.14	28.24
Intangible assets under development (G)	-	-
Tangible Net worth (H)=(E)-(F)-(G)	11,378.64	11,099.57
Total Debt (I)	-	-
Deferred Tax asset (J)	-	-
Capital Employed (K)=(H)+(I)-(J)	11,378.64	11,099.57
Ratio (D)/(K)	0.01	0.01
% Change from previous year	68%	

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

Reason for change more than 25%

The ratio has increased from 0.007 in March 2022 to 0.012 in March 2023 mainly due to increase in Earnings before interest and taxes (EBIT).

k) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax	55.44	55.79
Average equity	11,270.30	8,151.31
Ratio (percentage)	0%	1%
% Change from previous year	28%	

Average equity means Average of Equity as on beginning and end of the year

Reason for change more than 25%

The ratio has decreased from 1% in March 2022 to 0% in March 2023 mainly due to increase in average equity by holding company.

49. The Board of Directors of the Company, at their meeting held on 10 January 2023, have approved a Scheme of amalgamation (Scheme) between the Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, with an appointed date of 1 April 2023. The management is in the process of filing the Scheme with the National Company Law Tribunal and other regulators for their approval.

As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as Medplus Health Services Private Limited)

G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City, Orwell, B Wing,
6th Floor, Unit-3, Sy No. 83/1, Plot No. 02,
Raidurg, Hyderabad – 500 081 – India
Tel: +91 407 182 2000
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Independent Auditor's Report

To the Members of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of such subsidiaries as were audited by the other auditor the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Opinion section, we have determined matters described below to be the key

audit matters to be communicated in our report.

Timing of Recognition of Revenue:	
See Note 2.2 (h) and Note 27 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
Revenue from the sale of goods is recognised when the control of the products being sold is transferred to the customer. A significant part of Group's revenue relates to retail sales through a large number of company leased outlets and comprises high volume of individually small transactions made primarily on cash and carry basis which increases the risk of revenue being recognised inappropriately. Revenue is a key performance indicator for the Group. Accordingly, there could be pressure to meet the expectations of investors/ other stakeholders for a reporting period. We have considered that there is a risk of fraud related to revenue being overstated by recognition in the wrong period or before control has passed. In view of the above, we have identified revenue recognition as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: We assessed the appropriateness of the Group's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. We evaluated the design and implementation of the key internal financial controls with respect to the revenue recognition and tested the operating effectiveness of such controls including those related to the reconciliation of sales records to cash /card /online/ wallet receipts. We tested the reconciliation of revenue generated through cash/ card/ online/ wallet receipts and the amount deposited with banks. We performed substantive testing by selecting samples using statistical sampling of revenue transactions recorded during the year by verifying the underlying documents. We tested the periodic reconciliation of the retail sales recognised during the period with the statutory filings (goods and service tax returns). On a sample basis, performed cash counts, at selected stores and examined if the cash balances are in agreement with the books. We examined on a sample basis manual journal entries affecting revenue recognised during the year selected based on specific risk-based criteria to identify unusual or irregular items. We carried out analytical procedures on revenue recognised during the year to identify unusual variances. We tested, on a sample basis, specific revenue transactions recorded around the year end date to determine whether the revenue has been recognised

	in the appropriate financial period by testing the underlying documents. We assessed adequacy of disclosures in respect of revenue in the consolidated financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's Responsibilities Relating to Other Information.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter(s)

a. We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 2,036.98 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 14,956.96 million and net cash inflows (before consolidation adjustments) amounting to Rs. 22.24 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such subsidiaries, as were audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those, except that the back-up of key Microsoft Excel Spreadsheets related to financial reporting and Payroll Software which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company between 1 April 2023 to 26 April 2023 taken on record by the Board of Directors of the Holding

Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statement of the subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 37 and Note 41 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 53 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the report of the statutory auditor of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

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

Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad

Date: 25 May 2023

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited)	U85110TG2006PLC051845	Holding Company	Clause (i)(c); Clause (iii)(c), Clause (vii)(b)
2.	Optival Health Solutions Private Limited	U85110TG2005PTC046821	Subsidiary Company	Clause (i)(a); Clause (vii)(b)
3.	Clearancekart Private Limited	U52100TG2021PTC149432	Subsidiary Company	Clause (xvii); Clause (xix)
4.	Deccan Medisales Private Limited	U51397KA2011PTC059204	Subsidiary Company	Clause (vii)(b)
5.	Kalyani Meditimes Private Limited	U74999TN2016PTC111701	Subsidiary Company	Clause (xvii), Clause (xix); Clause (ix) (a)
6.	Sai Sridhar Pharma Private Limited	U24232TG2007PTC055902	Subsidiary Company	Clause (xiv)
7.	Nova Sud Pharmaceuticals Private Limited	U24232TG2007PTC055895	Subsidiary Company	Clause (vii)(a)
8.	Shri Banashankari	U74900KA2014PTC074302	Subsidiary Company	Clause (xvii)

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023 ***(Continued)***

Sr. No.	Name of the entities	CIN	Holding Company/Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
	Pharma Private Limited			
9.	Venkata Krishna Enterprises Private Limited	U51909TG2010PTC071012	Subsidiary Company	Clause (xiv)
10.	MedPlus Insurance Brokers Private Limited	U67100TG2022PTC164765	Subsidiary Company	Clause (xvii)

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.:116231W/W-100024

Arpan Jain
Partner
Membership No.: 125710
ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad
Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023 *(Continued)*

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter(s)

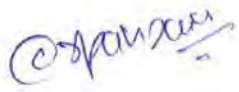
Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to eleven subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

For **B S R & Associates LLP**

Chartered Accountants

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



Arpan Jain

Partner

Membership No.: 125710

ICAI UDIN:23125710BGYBQW8554

Place: Hyderabad

Date: 25 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of MedPlus Health Services Limited (Formerly known as MedPlus Health Services Private Limited for the year ended 31 March 2023 *(Continued)*



MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Balance sheet as at March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	2,883.35	1,618.69
Capital work-in-progress	5	239.09	204.47
Goodwill	6	414.51	414.51
Other intangible assets	6	59.76	62.53
Intangible assets under development	6.a	15.82	-
Right-of-use assets	7	8,021.99	5,891.57
Financial assets			
Trade receivables	14	-	-
Loans	8	-	-
Other financial assets	9	699.67	691.60
Deferred tax assets (net)	37	658.12	449.45
Non-current tax assets (net)	10	113.78	146.70
Other non-current assets	11	54.08	143.87
		13,159.97	9,623.39
Current Assets			
Inventories	12	11,440.87	9,149.84
Current investments	13	0.33	0.33
Financial assets			
Trade receivables	14	86.51	60.35
Cash and cash equivalents	15	2,283.75	214.55
Bank balances other than cash and cash equivalents	16	554.50	129.50
Other financial assets	9	122.66	6,551.14
Current tax assets	10	1.50	0.62
Other current assets	11	316.99	210.75
		14,807.21	16,317.09
Total Assets		27,967.18	25,940.48
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	238.61	238.60
Other equity	18	14,673.17	13,939.12
Total equity attributable to the owners of the Company		14,911.78	14,177.72
Non-controlling interest		(6.77)	(5.19)
Total Equity		14,905.01	14,172.53
Liabilities			
Non-current Liabilities			
Financial liabilities			
Lease liabilities	21	8,011.80	5,964.91
Other financial liabilities	20	7.08	9.07
Provisions	22	277.46	203.85
		8,296.34	6,177.83
Current Liabilities			
Financial liabilities			
Borrowings	19	-	1,426.82
Lease liabilities	21	987.44	757.62
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises; and		126.35	14.13
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,476.09	2,448.19
Other financial liabilities	20	667.50	523.64
Other current liabilities	24	145.11	120.92
Provisions	22	260.64	216.88
Contract liabilities	25	93.41	80.77
Current tax liabilities (net)	26	10.29	1.15
		4,766.83	5,590.12
Total Liabilities		13,062.17	11,767.95
Total Equity and Liabilities		27,967.18	25,940.48

Summary of significant accounting policies	2.2	

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00096097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	27	45,575.76	37,792.79
Other income	28	460.78	313.63
Total income (I)		46,036.54	38,106.42
Expenses			
Purchases of stock-in-trade		37,529.32	31,223.73
Cost of materials consumed	29	258.80	194.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(2,211.24)	(1,594.38)
Employee benefits expense	31	5,451.29	3,939.20
Finance costs	33	830.27	664.28
Depreciation and amortisation expense	32	1,815.56	1,193.60
Other expenses	34	1,890.91	1,306.16
Total expenses (II)		45,564.91	36,926.99
Profit before tax (III) = (I)-(II)		471.63	1,179.43
Tax expenses	37		
- Current tax **(IV)**		180.53	301.24
- Deferred tax benefit **(V)**		(209.95)	(68.97)
Total tax (benefit) / expenses (VI) = (IV)+(V)		(29.42)	232.27
Profit for the year (VII) = (III)-(VI)		501.05	947.16
Other Comprehensive Income (OCI)			
Items that will not to be reclassified to profit or loss:			
Re-measurement gain on employee defined benefit plans **(VIII)**		4.61	23.86
Income tax effect on the above **(IX)**	38A	(1.27)	(5.58)
Other comprehensive income for the year (X) = (VIII)+(IX)		3.34	18.28
Total comprehensive income for the year (XI) = (VII)+(X)		504.39	965.44
Profit for the year attributable to:			
Equity Holders of the Parent Company		497.63	958.02
Non-controlling interest		3.42	(10.86)
		501.05	947.16
Total comprehensive income attributable to:			
Equity Holders of the Parent Company		500.97	976.12
Non-controlling interest		3.42	(10.68)
		504.39	965.44
Earnings per equity share (EPES) (In absolute Rs. terms)	36		
Basic		4.17	8.55
Diluted		4.17	8.52
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

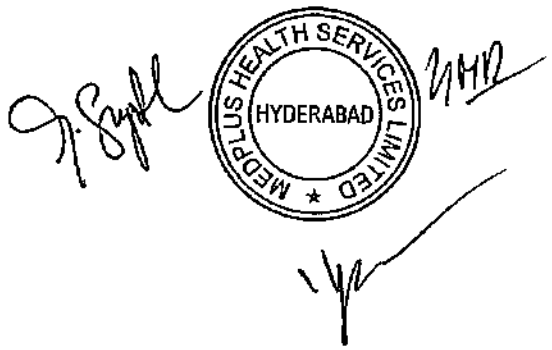
A. Equity Share Capital:

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
238.60	-	238.60	0.01	238.61

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
4.48	-	4.48	234.12	238.60

* refer note 17.





MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

B. Other Equity

Particulars	Equity component of compound financial instruments (including securities premium on CCPS)	Other Components of equity					Total other equity	Attributable to Non controlling interest	Total
		Reserves and surplus							
		Securities premium	Share based payments reserve	General reserve	Capital reserve	Retained earnings			
As at April 1, 2021	3,708.06	2,415.25	486.55	28.64	0.92	661.64	7,301.06	5.49	7,306.55
Employee stock option compensation expenses for the year	-		107.37	-	-	-	107.37	-	107.37
Utilisation for bonus issue of shares during the year	-	-	-	-	-	-	-	-	-
- 0.001% Series A compulsorily convertible preference shares ('CCPS')	(56.72)	28.36	-	-	-	-	(28.36)	-	(28.36)
- 0.001% Series B compulsorily convertible preference shares ('CCPS')	(239.03)	119.52	-	-	-	-	(119.51)	-	(119.51)
- 0.001% Series B1 compulsorily convertible preference shares ('CCPS')	(61.07)	30.54	-	-	-	-	(30.53)	-	(30.53)
- 0.001% Series B2 compulsorily convertible preference shares ('CCPS')	(66.62)	33.63	-	-	-	-	(32.99)	-	(32.99)
- 0.001% Series C1 compulsorily convertible preference shares ('CCPS')	(11.22)	5.61	-	-	-	-	(5.61)	-	(5.61)
- 0.001% Series C2 compulsorily convertible preference shares ('CCPS')	(3.20)	1.28	-	-	-	-	(1.92)	-	(1.92)
Less: Transfer of Series A CCPS securities premium in to securities premium	(1,981.65)	1,981.65	-	-	-	-	-	-	-
Issue of 0.001% Series C1 compulsorily convertible preference shares ('CCPS')	(751.12)	751.12	-	-	-	-	-	-	-
Issue of 0.001% Series C2 compulsorily convertible preference shares ('CCPS')	(214.46)	214.46	-	-	-	-	-	-	-
Less: Transfer to General reserve (Increase in fair value of Series A CCPS)	(322.97)	-	-	322.97	-	-	-	-	-
Transfer on account of exercise of share options	-	409.05	(409.05)	-	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	67.51	(67.51)	-	-	-	-	-	-
Amount recovered from ESOP trust	-	5.86	-	-	-	-	5.86	-	5.86
Add: Issue of new shares through IPO	-	5,984.91	-	-	-	-	5,984.91	-	5,984.91
Stock option lapsed	-	-	(3.42)	3.42	-	-	-	-	-
Less: Share issue expenses	-	(217.27)	-	-	-	-	(217.27)	-	(217.27)
Profit/ (loss) for the year	-	-	-	-	-	958.02	958.02	(10.86)	947.16
Actuarial loss on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	18.10	18.10	0.18	18.28
As at March 31, 2022	-	11,831.48	113.94	355.03	0.92	1,637.76	13,939.13	(5.19)	13,933.93
Employee stock option compensation expenses for the year	-	-	221.19	-	-	-	221.19	-	221.19
Transfer on account of exercise of share options	-	30.76	(30.76)	-	-	-	-	-	-
Transfer to amount recoverable from ESOP trust in kind	-	-	-	-	-	-	-	-	-
Amount recovered from ESOP trust	-	1.19	-	-	-	-	1.19	-	1.19
Proceeds from equity shares under ESOP's	-	10.69	-	-	-	-	10.69	-	10.69
Acquisition of minority interest of subsidiary during the year	-	-	-	-	-	-	-	(5.00)	(5.00)
Profit/ (loss) for the year	-	-	-	-	-	497.63	497.63	3.42	501.05
Actuarial gain on post-employment benefit obligations, net of tax benefit	-	-	-	-	-	3.34	3.34	-	3.34
As at March 31, 2023	-	11,874.14	304.35	355.03	0.92	2,138.73	14,673.17	(6.77)	14,666.40

B S R & Associates LLP • CHARTERED ACCOUNTANTS •

MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Changes in Equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

Note:

Equity component of compound financial instruments includes the following:	**As at March 31, 2023**	**As at March 31, 2022**
(i) Par value of the instruments issued:		
0.001% Series A compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
At the end of the year	-	-
0.001% Series B1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS into equity shares	-	(61.07)
At the end of the year	-	-
0.001% Series B2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS into equity shares	-	(66.62)
At the end of the year	-	-
0.001% Series C1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C1 CCPS in to equity shares	-	(11.22)
At the end of the year	-	-
0.001% Series C2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Transfer to General reserve	-	(322.97)
	-	-
Amount included in 'Equity component of compound financial instruments' above	-	-

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 225710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	471.63	1,179.43
Adjustments for:		
Depreciation of property, plant and equipment	450.60	240.10
Amortisation of intangible assets	17.11	11.24
Depreciation of right-of-use assets	1,352.64	942.26
Provision for gratuity and leave benefits	162.56	116.96
Provision for doubtful debts, deposits and advances	11.76	7.03
Finance costs	9.16	52.65
Interest on lease liabilities	821.11	611.63
Loss on sale/ discard of property, plant and equipment	3.54	1.82
Advances/debts written off	1.08	0.26
Interest income	(277.88)	(137.32)
Employees stock option compensation expenses	221.19	107.37
Gain on de-recognition of right-of-use assets	(42.00)	(38.18)
Liabilities no longer required written back	(3.23)	(37.00)
Operating profit before working capital changes	**3,199.27**	**3,058.25**
Change in assets and liabilities		
Increase in inventories	(2,291.03)	(1,650.27)
Increase in non-current financial assets	(201.34)	(214.63)
Decrease / (Increase) in current financial assets	162.52	(172.84)
Increase in other assets	(100.43)	(61.93)
Increase in current financial liabilities	278.21	1,116.52
Increase in other current liabilities	36.83	9.84
Decrease in provisions	(40.58)	(50.42)
Cash generated from operations	**1,043.45**	**2,034.52**
Income tax paid, net	(139.35)	(335.63)
Net cash generated from operating activities (A)	**904.10**	**1,698.89**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles including capital work-in-progress and capital advances	(1,690.05)	(1,177.21)
Proceeds from sale of property, plant and equipment	1.60	35.22
Investments made	-	-
(Investments) / Redemptions of bank deposit with original maturity of more than 3 months, net	5,769.75	(5,938.01)
Interest received	213.11	48.74
Net cash generated from/ (used in) investing activities (B)	**4,294.41**	**(7,031.26)**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	5,936.36
Share issue expenses	-	(217.27)
Proceeds from exercise of stock options	11.89	5.86
Proceeds from issue of compulsorily convertible preference shares	-	-
Interest on Lease Liabilities	(821.11)	(611.63)
Principal payment of lease liabilities	(884.11)	(656.38)
Interest paid	(9.16)	(52.65)
Net cash (used in) / generated from financing activities (C)	**(1,702.49)**	**4,404.29**

BSR & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Consolidated Statement of Cash Flows for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Net increase / (decrease) in cash and cash equivalents (A+B+C)	3,496.02	(928.08)
Cash and cash equivalents at the beginning of the year	(1,212.27)	(284.19)
Cash and cash equivalents at the end of the year	**2,283.75**	**(1,212.27)**
Components of cash and cash equivalents		
Cash on hand	90.07	72.79
Bank deposits with original maturity of less than three months	1,856.36	9.10
Balance with banks in current accounts	337.32	132.66
Total cash and cash equivalents	**2,283.75**	**214.55**
Less: Cash credit from bank	-	(1,426.82)
Cash and cash equivalents for Cash flow statement	**2,283.75**	**(1,212.27)**

Summary of significant accounting policies 2.2

Note:
a. Movement disclosure under Ind AS 7 with respect to borrowings are not applicable as the Company does not have any long term borrowings.
b. Refer note 40 for change in lease liabilities arising from financing activities

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpan Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Sujit Kumar Mahato
Chief Financial Officer
Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary
Hyderabad, May 25, 2023

1. Corporate information

MedPlus Health Services Limited (the 'Parent Company' or the 'Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Parent Company is located at H.No:11-6-56, Survey No: 257 & 258/1, Opp: IDPL Railway Siding Road,(Moosapet), Kukatpally, Hyderabad. The Parent Company together with its subsidiaries (collectively termed as "the Group") are primarily engaged in retail trading of medicines and general items, wholesale cash and carry and pathological laboratory testing services, wholesale trading and manufacturing of pharmaceutical products, fast-moving consumer goods and beauty products. The Company was duly converted from MedPlus Health Services Private Limited to MedPlus Health Services Limited w.e.f. 28 June 2021 and accordingly the corporate identification number (CIN) was changed from U85110TG2006PTC051845 to L85110TG2006PLC051845.
The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2023.

2. Significant accounting policies

2.1 a. Basis of preparation of consolidated financial statements

The Consolidated financial statements of the Group have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated Ind AS financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting period,
(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.
(iii) Share-Based payments are measured at fair value

b. Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees ("INR"), which is also the functional currency of the Group and all values are rounded to the nearest millions (Rs. 000,000), unless otherwise indicated. The amount reflected as "0.00" in financials are value with less than ten thousand.

The Consolidated Financial Statements as at and for the year ended on March 31, 2023 include the financial statements of the following entities:

S.No	Name of the subsidiary company	Country of Incorporation	Percentage of Ownership as at March 31, 2023	Percentage of Ownership as at March 31, 2022
1	Optival Health Solutions Private Limited ('OHSPL')	India	99.99%	99.99%
2	Wyndark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited) ('WPPL')	India	100%	100%
3	MHS Pharmaceuticals Private Limited ('MHS')	India	100%	100%
4	Nova Sud Pharmaceuticals Private Limited (formerly known as Panindia Pharma Distributors Private Limited) ('NPPL')	India	100%	100%
5	Sai Sridhar Pharma Private Limited ('SSPPL')	India	100%	100%
6	Venkata Krishna Enterprises Private Limited ('VKEPL')	India	100%	100%
7	Deccan Medisales Private Limited ('DMPL')	India	100%	100%
8	Shri Banashankari Pharma Private Limited ('SBPPL')	India	100%	100%
9	Sidson Pharma Distributors Private Limited ('SPDPL')	India	100%	100%
10	Kalyani Medtimes Private Limited ('KMT')	India	89.11%	65.53%
11	ClearanceKart Private Limited**	India	100.00%	100.00%
12	Medplus Insurance Brokers Private Limited*	India	100.00%	0.00%

*The Company subscribed to 2,00,000 shares of Rs. 10 each of MedPlus Insurance Brokers Private Limited, which was incorporated on 14 July 2022 under the Companies Act, 2013. The transfer of shares and consideration happened during the Financial year 2022-23.

**The Company subscribed to 10,000 shares of Rs. 10 each of ClearanceKart Private Limited, which was incorporated on 09 March 2021 under the Companies Act, 2013. The transfer of shares and consideration happened during the Financial year 2021-22.

2.2 Summary of significant accounting policies

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

b. Basis of consolidation

Subsidiaries are all entities (including special purpose entities) that are controlled by the Group. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendment require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 – Income Taxes

The amendment clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract (2022)

The amendment specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract' Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework (2022)

The amendment specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use (2022)

The amendment mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c. **Significant accounting, estimates and assumptions**

The preparation of these consolidated financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the consolidated financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the consolidated financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the consolidated financial statements. Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are:

Impairment of trade receivables

The Group has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

The Group estimates the provisions that heve present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Group uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases
The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.
The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease, if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.
The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Inventories
The Group estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence by applying certain percentages over different age category of such inventories, expected loss rate considering the past trend and future outlook. Inventories are written down to NRV where such NRV is lower than their cost.

d. Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.

e. Current and non current classification
The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f. Foreign currencies
Initial recognition
Transactions in foreign currencies are translated into functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion
Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences
Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the statement of profit and loss in the period in which they arise.

g. Fair Value Measurement
In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

h. Revenue recognition
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. However Goods and Service Tax (GST) is not received by the Company on its own account. Rather it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
The specific recognition criteria described below must also be met before revenue is recognised.

h. **Revenue recognition (Continued)**

Sale of general and pharmaceutical items

Revenue from sale of goods is recognized when it transfers the control of goods to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the transaction price received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sales returns

The Group accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience of sales returns.

At the time of recognising the refund liability, the Group also recognises an asset, (i.e., the right to the returned goods) which is included in inventory for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Customer Loyalty Programme

Group operates a Flexi Rewards scheme (Customer loyalty programme), which allows customers to accumulate points when they purchase products in the Group's retail stores. These points can be redeemed for purchase of value plus items.

The consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Group has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

Display Income

Revenue for display of advertisement is accounted on accrual basis in accordance with the provisions of the relevant contacts.

Rental Income

Rental income arising from operating leases on building is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

Sale of Services

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis. The Group recognises revenue when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each diagnostic service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Group measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price.

The amount collected on sale of discount coupon is recognised as liability and transferred to revenue when redeemed against diagnostic services as per the terms of the contract or when expired.

Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation. A contract liability is the obligation to transfer services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

i. **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except, when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date.
If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

j. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.
Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognised in the consolidated statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably

Depreciation

Depreciation on property, plant and equipment other than leasehold improvements is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)	Estimated useful as per schedule II
Buildings	60	60
Furniture and fixtures - Plastic Boxes	2	2
Furniture and fixtures - Others	10	10
Vehicles	8-10	8-10
Data Processing Equipment	3-6	3-6
Plant and equipment	5-10	5-10

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k. Intangible assets

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets of the Group represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which approximates the economic useful life ranging between 2-5 years on a straight-line basis over the period of its economic useful life.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

B R & Associates LLP CHARTERED ACCOUNTANTS

m. **Leases**

Group as lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
— fixed payments, including in-substance fixed payments;
— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
— amounts expected to be payable under a residual value guarantee; and
— the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease terms.

Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116.

n. **Inventories**

Inventories comprise of stock-in-trade and stores and consumables and are valued at lower of cost or net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Cost is determined on first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business reduced by the estimated costs to affect the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories. The net realisable value of work-in-progress are determined with reference to the selling prices of related finished goods.

The factors that the Group considers in determining the valuation of inventory includes shelf life and ageing of inventory. The Group considers these factors and adjust valuation to reflect actual value of inventory.

Raw materials and consumables held for use in the production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished goods will exceed their net realisable value.

Impairment losses, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

o. **Impairment of Non-Financial Assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

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p. **Provisions and contingent liabilities**

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

q. **Retirement and other employee benefits**

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset.

Defined benefit plans

The Group operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other Short term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

r. **Employee share based payments**

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share, unless its anti-dilutive to Group's earnings in nature.

Shares allotted to Trust:

The Company has created an Employees benefit trust (Trust) for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees.

The company allocated shares to Trust at the time of formation of trust. The Group treats trust as its extension and these equity instruments are recognised at cost and deducted from equity.

s. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
i) Debt instruments at amortised cost
ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables , the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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s. Financial instruments (continued)

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'. The balance sheet presentation for various financial instruments are Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:
ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Financial liability, Equity and Compound Financial Instruments

The debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Initial recognition and measurement

Financial liabilities:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Equity:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

Compound instruments:

Compound financial instruments issued by the Group comprise of compulsorily convertible preference shares that can be converted into equity shares where the number of shares to be issued is fixed and does not vary with change in fair value. When establishing the accounting treatment for these non-derivative instruments, the Group first establishes whether the instrument is a compound instrument and classifies such instrument's components separately as financial liabilities or equity instruments in accordance with Ind AS 32.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability compenent. Subsequently the liability is measured as per requirement of Ind AS 109.The equity component of a compound financial instrument is not subsequently measured.

A Cumulative Compulsorily Convertible Preference Shares (CCPS), with an option to holder to convert the instrument into variable number of equity shares of the entity upon redemption is classified as a financial liability and dividend including dividend distribution tax is accrued on such instruments and recorded as finance cost.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss.
However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

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s. Financial Instruments (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management

u. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss attributeble to equity holder of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. Equity shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per equity share from the date the contract is entered into.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

v. Government Grants

Government grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises the related costs for which the grants are intended to compensate.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received

w. Goodwill

Goodwill arising on the acquisition of subsidieries is measured at cost less accumulated impairment losses.

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognised is not reversed in subsequent period.

x. Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the consolidated statement of profit and loss.

Y. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

z. Share issue expenses

The share issue expenses incurred by the Group on account of new shares issued are netted off from securities premium account The share issue expenses incurred by the Company on behalf of selling shareholders are considered to be recoverable from selling shareholders and are classified as share issue expenses recoverable under other current financials assets.

3. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

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4 Property, plant and equipment

	Land	Buildings	Plant and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Lease hold improvements	Total
Gross carrying amount								
As at April 01, 2021	79.50	1.64	512.19	303.55	386.24	41.67	511.48	1,816.27
Additions	63.80	-	306.88	119.56	261.47	16.50	234.05	1,024.26
Disposals	-	-	(46.18)	(14.73)	(0.59)	(2.46)	(11.18)	(77.16)
As at March 31, 2022	143.30	1.64	772.89	408.38	647.12	55.69	734.35	2,763.37
Additions	7.77	-	705.77	194.94	365.94	14.44	431.55	1,720.41
Disposals	-	-	(16.33)	(16.25)	(0.98)	(3.24)	(8.56)	(45.36)
As at March 31, 2023	151.07	1.64	1,462.33	587.07	1,012.08	66.89	1,157.34	4,438.42
Accumulated Depreciation								
Up to April 01, 2021	-	0.39	245.02	229.86	89.60	19.37	361.34	944.71
Charge for the year	-	0.03	69.50	51.58	49.86	4.72	64.41	240.10
Disposals	-	-	(13.52)	(14.67)	(0.40)	(2.18)	(9.35)	(40.12)
Up to March 31, 2022	-	0.42	301.00	266.79	138.06	21.91	416.40	1,144.69
Charge for the year	-	0.03	137.51	93.34	88.67	6.26	124.79	450.60
Disposals	-	-	(14.53)	(16.25)	(0.78)	(2.67)	(5.99)	(40.22)
Up to March 31, 2023	-	0.45	423.98	343.88	225.95	25.50	535.20	1,555.07
Net carrying amount								
As at March 31, 2022	143.30	1.22	471.90	141.59	509.06	33.78	317.95	1,618.69
As at March 31, 2023	151.07	1.19	1,038.36	243.19	786.13	41.39	622.15	2,883.35

Notes:
1) For details of contractual commitment with respect to property, plant and equipment refer note no. 41(A)).

Title deeds of Immovable Properties not held in name of the Group

Particulars	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not held in the name of company
Property, plant and equipment	Land	5.51	Natco Pharma Limited	No	December 20, 2020	refer note 1 below

Note 1: Propety has been transferred vide agreement of sale deed dated December 20, 2020. However, the Group is in the process of registration.

5 Capital work-in-progress (CWIP)

	As at March 31, 2023	As at March 31, 2022
Gross carrying amount		
Opening Balances	204.47	55.35
Additions during the year	1,281.65	665.50
Capitalised during the year*	(1,247.03)	(516.38)
Closing Balance	239.09	204.47

CWIP Aging Schedule

As at March 31, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	227.74	3.17	8.18	-	239.09
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress**	178.78	13.67	10.73	1.29	204.47
Projects temporarily suspended	-	-	-	-	-

*Includes Rs. 18.62 of employee cost and Rs.10.25 of Depreciation and amortisation expense (refer note 32)
** As at March 31, 2023 Rs. Nil (March 31, 2022: Rs.18.28) is related to development of automation machinery for warehouse activities and the machinery is in the final stage of testing.
Note: The Group does not have any capital work-in-progress which is overdue or has exceeded its cost compared to its original plan and hence capital work-in-progress completion schedule is not applicable.

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6 Goodwill & Other Intangible Assets

	Software	Goodwill on consolidation	Goodwill
Gross carrying amount			
As at April 1, 2021	78.37	414.51	17.78
Additions	35.56	-	-
Disposals	-	-	-
As at March 31, 2022	113.93	414.51	17.78
Additions	22.17	-	-
Disposals	(11.19)	-	-
As at March 31, 2023	124.91	414.51	17.78
Accumulated Depreciation			
Up to April 1, 2021	40.16	-	17.78
Charge for the year	11.24	-	-
Disposals	-	-	-
Up to March 31, 2022	51.40	-	17.78
Charge for the year	17.11	-	-
Disposals	(3.36)	-	-
Up to March 31, 2023	65.15	-	17.78
Net carrying amount			
As at March 31, 2022	62.53	414.51	-
As at March 31, 2023	59.76	414.51	-

Impairment testing for cash generating unit (CGU) containing goodwill -

The Group has identified each entity as a separate CGU, breakup of entity wise goodwill is mentioned below -

Company's Name	As at March 31, 2023	As at March 31, 2022
Optival Health Solutions Private Limited	387.69	387.69
MHS Pharmaceuticals Private Limited	0.16	0.16
Venkata Krishna Enterprises Private Limited	0.71	0.71
Deccan Medisales Private Limited	3.07	3.07
Shri Banashankari Pharma Private Limited	1.26	1.26
Sidson Pharma Distributors Private Limited	20.55	20.55
Kalyani Medilimes Private Limited	1.07	1.07
Total	414.51	414.51

The Group has determined that goodwill on account of acquisition of subsidiaries has indefinite useful life. The recoverable amount has been determined based on a value in use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value. Key assumptions upon which the Group has based its determinations of value-in-use include:

a. Estimated cash flows for five years, based on management's projections
b. A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 5% (previous years: 5%). This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
c. The after tax discount rates used are based on the Company's weighted average cost of capital.
d. The discount rates used for discounting free cash flows and terminal value is 14.00% (previous years: 12.00%) (post-tax discount rate).
e. Annual growth rate considered for 5 years (average) is 25.00% (previous years: 30.40%)

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market premium x Beta for the company). The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts. Accordingly, no impairment charges were recognised during the year ended March 31, 2023 and March 31, 2022.

6.a Intangible assets under development

	As at March 31, 2023	As at March 31, 2022
Gross Carrying amount		
As at April 1, 2022	-	-
Additions during the year	20.55	-
Capitalised during the year*	(4.93)	-
As as March 31, 2023	15.62	-

*Includes Rs.64.08 of employee cost

Note:
The Group does not have any intangible assets under development which is overdue or has exceeded its cost compared to its original plan and hence intangible assets under development completion schedule is not applicable.

Intangible assets under development ageing schedule

As at March 31, 2023

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15.62	-	-	-	15.62
Projects temporarily suspended	-	-	-	-	-

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

B S R & Associates LLP CHARTERED ACCOUNTANTS

7 Right-of-use assets

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets (Refer note:40B)	8,021.99	5,891.57
	8,021.99	5,891.57

8 Loans

	As at March 31, 2023	As at March 31, 2022
Non-current		
Loans receivables considered good- secured	-	-
Loans receivables considered good- unsecured	-	-
Loans receivables which have significant increase in credit risk	-	-
Loans receivables- credit impaired		
Loans to others (refer note below)	26.00	26.00
Less: Loss allowance	(26.00)	(26.00)
	-	-

Note - The loan is due for repayment from the party but not yet repaid. The Group has filed legal proceedings against the party and hence provision has been made by the Group.

There are no loans given to directors or other officers of the Group either severally or jointly with any other person or loans given to firms or private companies respectively in which any director is a partner, a director or a member.

9 Other financial assets

		As at March 31, 2023	As at March 31, 2022
a. Non-current			
Unsecured, considered good			
Security deposits		698.16	691.39
Bank Deposits with remaining maturity for more than 12 months (refer note 1 below)		0.03	0.21
Trade deposits		1.49	-
	(A)	699.67	691.60
Unsecured, considered doubtful			
Security deposits		10.95	14.47
Advance to employees		0.80	0.80
		11.75	15.27
Less: Provision for doubtful advances and deposits		(11.75)	(15.27)
	(B)	-	-
Total non-current	(A+B)	699.67	691.60
b. Current			
Unsecured, considered good			
Discount receivable from vendors		31.12	65.81
Bank deposits with remaining maturity of less than 12 months		36.49	6,231.34
Advance to employees		4.13	4.67
Interest accrued on bank deposits		11.59	47.04
Deposit with others (refer note 2 below)		30.00	30.00
Other receivables		0.22	-
Interest accrued on others		0.17	-
Share issue expenses receivable (refer note 3 below)		8.94	172.28
Total current		122.66	6,551.14

Notes:

1) Deposits are pledged with Tax authorities.
2) Deposits made with Bombay Stock Exchange Limited ('BSE') for the purpose of IPO.
3) The Group has spent/ accrued INR 536.63 towards IPO related expenses which includes legal expenses, certification fees, listing fees, audit expenses and others. These expenses are shared between the selling shareholders and Group in proportion of their shares. The share issue expenses incurred by the Group on behalf of selling shareholders are considered to be recoverable from selling shareholders/ IPO public issue account and are classified as share issue expenses receivable under other current financial assets.

10 Tax assets

	As at March 31, 2023	As at March 31, 2022
a. Non-current		
Advance Tax (Net of provision Rs. 336.83 (March 31, 2022: Rs. 745.57))	113.78	146.70
	113.78	146.70
b. Current		
Advance tax	1.50	0.62
	1.50	0.62

11 Other assets		As at March 31, 2023	As at March 31, 2022
a. Non-current			
Unsecured, considered good			
Capital advances		35.18	119.16
Balances with government authorities		13.76	18.86
Other advances		5.14	5.85
	(A)	54.08	143.87
Unsecured, considered doubtful			
Other advances		3.51	-
Balances with government authorities		1.22	1.22
		4.73	1.22
Less: Provision for doubtful receivables		(4.73)	(1.22)
	(B)	-	-
Total non-current	(A+B)	54.08	143.87
b. Current			
Unsecured, considered good			
Advance to vendors		214.34	102.31
Balances with government authorities		42.89	76.21
Grant receivable		7.60	11.60
Prepaid expenses		52.16	20.63
		316.99	210.75
Doubtful			
Unsecured, considered Doubtful			
Balances with government authorities		1.01	1.11
		1.01	1.11
Provision for doubtful receivables		(1.01)	(1.11)
		-	-
Total current		316.99	210.75

12 Inventories	As at March 31, 2023	As at March 31, 2022
(Values at lower of cost and net realisable value)		
Raw materials	57.04	27.11
Packing material	0.05	6.07
Work-in-progress	7.44	2.61
Finished goods	22.60	20.26
Stock-in-trade including goods in transit of Rs.288.66 (March 31, 2022 Rs. 183.77)	11,175.14	8,971.07
Stores and spares	178.60	122.72
	11,440.87	9,149.84

During the year ended March 31, 2023, the Group recorded inventory write-down to net realisable value of Rs.202.09 (March 31, 2022: Rs 165.05) in the consolidated statement of profit and loss.
As on March 31, 2023 the inventories includes contract asset of Rs 22.26 (March 31, 2022: Rs. 20.95) representing the right to the returned goods.

The inventories of stock-in-trade are subject to a pari passu charge to banks to obtain the cash credit facility (refer Note: 19(b))

13 Current investments	As at March 31, 2023	As at March 31, 2022
Investment in gold and silver	0.33	0.33
	0.33	0.33

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

14 Trade receivables

	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Trade receivables - credit impaired	0.82	0.81
	0.82	0.81
Less: Impairment Allowance	(0.82)	(0.81)
Total	-	-
b. Current		
Receivable from other than related parties		
Trade receivables considered good - unsecured	88.51	60.36
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	5.63	6.88
	92.14	67.24
Less: Impairment Allowance	(5.63)	(6.88)
Total	86.51	60.36

There are no trade or other receivables due from directors or other officers of the group either severally or jointly with any other person or dues from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	46.15	19.43	1.26	-	-	-	66.84
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	2.22	3.07	0.28	0.04	0.84	6.45
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	46.15	21.65	4.33	0.28	0.04	0.84	73.29
Less: Allowance for doubtful trade receivables - Billed							(6.45)
							66.84
Trade receivables - Unbilled							19.67
							86.51

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivables - Billed							
(i) Undisputed Trade receivables – considered good	43.34	10.91	5.22	0.69	0.10	0.10	60.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.36	1.14	1.17	1.08	3.94	7.69
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total	43.34	11.27	6.36	1.86	1.18	4.04	68.05
Less: Allowance for doubtful trade receivables - Billed							(7.69)
							60.36

15 Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- On current accounts	337.32	132.86
- Bank deposits with original maturity of less than three months	1,856.36	9.10
Cash on hand	90.07	72.79
	2,283.75	214.55

16 Bank balances other than above

	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity more than 3 months and less than 12 months *	554.60	129.50
	554.60	129.50

*Deposits are charged to Banks for obtaining cash credit facility till may 2022 (Refer Note: 19(b))
Note: Interest accrued on fixed deposits is disclosed in note no 9b

MEDPLUS HEALTH SERVICES LIMITED (HYDERABAD)

B S R & Associates LLP CHARTERED ACCOUNTANTS

17. **Share capital**

	As at March 31, 2023	As at March 31, 2022
Equity shares		
Authorised share capital		
(I) Equity shares of Rs.2/- each (March 31, 2022: Rs. 2/- each)		
As at beginning of the year (270,883,000 (March 31, 2022: 4,655,000) equity shares)	541.77	4.65
Cancellation of Nil (March 31, 2022: 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each)	-	439.00
Increase during the year (Nil (March 31, 2022: 49,056,000) equity shares)	-	98.12
As at end of the year (270,883,000 (March 31, 2022: 270,883,000 equity shares of Rs. 2/- each) equity shares of Rs.2 /- each)	541.77	541.77
*On July 23, 2021 the equity shares of the Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 465,000 equity shares of face value of Rs.10 each were subdivided into 2,325,000 equity shares of face value of Rs. 2 each.		
(II) Preference shares of Rs.20/- each		
As at beginning of the year Nil Preference shares (March 31, 2022: 21,950,000) of Rs.10/- each preference shares	-	439.00
Cancellation of 21,950,000 unissued preference shares having face value of Rs. 20 each and increase of 219,500,000 equity shares having face value of Rs 2 each	-	(439.00)
As at end of the year (Nil (March 31, 2022: Nil) preference shares)	-	-
Total Authorised share capital	541.77	541.77
Equity shares		
Issued, subscribed and fully paid up shares (No's)		
(I) Equity shares		
119,305,676 equity shares of Rs.2/- each	238.61	238.61
Less: amount recoverable from Medplus Employees Benefit Trust (ESOP Trust) 10,420 (March 31, 2022: 419,841 equity shares of Rs.10/- each) equity shares of Rs. 2/- each, allotted to Medplus Employees Benefit Trust (refer note 39)	-	(0.01)
Total issued, subscribed and fully paid up equity share capital	238.61	238.60
(II) Compulsorily Convertible Preference Shares ('CCPS')		
Series A		
0.001% Series A CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 2,836,421)	-	56.72
Less: CCPS included under equity component of compound financial instrument	-	(56.72)
	-	-
Series B		
0.001% Series B CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 11,951,680)	-	239.03
Less: CCPS included under equity component of compound financial instrument	-	(239.03)
	-	-
Series B1		
0.001% Series B1 CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 3,053,560)	-	61.07
Less: CCPS included under equity component of compound financial instrument	-	(61.07)
	-	-
Series B2		
0.001% Series B2 CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 3,331,120)	-	66.62
Less: CCPS included under equity component of compound financial instrument	-	(66.62)
	-	-
Series C1		
0.001% Series C1 CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 560,896)	-	11.22
Less: CCPS included under equity component of compound financial instrument	-	(11.22)
	-	-
Series C2		
0.001% Series C2 CCPS of Rs.20/- each March 31, 2023: Nil (March 31, 2022: 160,147)	-	3.20
Less: CCPS included under equity component of compound financial instrument	-	(3.20)
	-	-
Total issued, subscribed and fully paid up share capital	238.61	238.60

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

I) Equity shares	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	11,93,05,676	238.61	4,68,409	4.68
Add:				
Increase in shares on account of subdivision *	-	-	18,33,636	-
Conversion of Series A CCPS in to equity shares	-	-	1,41,82,105	28.36
Conversion of Series B CCPS in to equity shares	-	-	5,97,58,400	119.52
Conversion of Series B1 CCPS in to equity shares	-	-	1,52,67,800	30.54
Conversion of Series B2 CCPS in to equity shares	-	-	1,66,16,850	33.63
Conversion of Series C1 CCPS in to equity shares	-	-	28,04,480	5.61
Conversion of Series C2 CCPS in to equity shares	-	-	6,39,485	1.28
Increase in shares pursuant to IPO**	-	-	75,44,511	15.09
Bonus Shares issued during the year (refer Note 17(g))	-	-	-	-
Outstanding at the end of the year	11,93,05,676	238.61	11,93,05,676	238.61
Less : Recoverable from ESOP trust (refer to note 39)	-	-	(4,19,841)	(0.01)
Net outstanding at the end of the year	11,93,05,676	238.61	11,88,85,835	238.60

* On July 23, 2021 the equity shares of the Parent Company having the face value of Rs.10 each were subdivided into 5 equity shares having face value of Rs.2 each. Accordingly 468,409 equity shares of face value of Rs.10 each were subdivided into 2,292,045 equity shares of face value of Rs.2 each.

** The Parent Company has completed its Initial Public Offer ('IPO') and listed its equity shares on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on December 23, 2021.The Parent Company has made fresh issue of 7,544,511 equity shares.(refer note 54).

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

ii) 0.001% Series A compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	28,36,421	56.72
Conversion of Nil (March 31, 2022: 2,836,421), 0.001% Series A CCPS into Nil (March 31, 2022: 14,182,105) equity shares of Rs.2 each	-	-	(28,36,421)	(56.72)
Outstanding at the end of the year	-	-	-	-

iii) 0.001% Series B compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,19,51,680	239.03
Conversion of Nil (March 31, 2022: 11,951,680), 0.001% Series B CCPS into Nil (March 31, 2022: 59,758,400) equity shares of Rs.2 each	-	-	(1,19,51,680)	(239.03)
Outstanding at the end of the year	-	-	-	-

iv) 0.001% Series B1 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	30,53,560	61.07
Conversion of Nil (March 31, 2022: 3,053,560), 0.001% Series B1 CCPS into Nil (March 31, 2022: 15,267,800) equity shares of Rs.2 each	-	-	(30,53,560)	(61.07)
Outstanding at the end of the year	-	-	-	-

v) 0.001% Series B2 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	33,31,120	66.62
Conversion of Nil (March 31, 2022: 1,654,702), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,273,510) equity shares of Rs.2 each	-	-	(16,54,702)	(33.09)
Conversion of Nil (March 31, 2022: 1,676,418), 0.001% Series B2 CCPS into Nil (March 31, 2022: 8,543,340) equity shares of Rs.2 each	-	-	(16,76,418)	(33.53)
Outstanding at the end of the year	-	-	-	-

vi) 0.001% Series C1 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	5,60,898	11.22
Conversion of Nil (March 31, 2022: 560,898), 0.001% Series C1 CCPS into Nil (March 31, 2022: 2,804,490) equity shares of Rs.2 each	-	-	(5,60,898)	(11.22)
Outstanding at the end of the year	-	-	-	-

vii) 0.001% Series C2 compulsorily convertible preference shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the year	-	-	1,60,147	3.20
Conversion of Nil (March 31, 2022: 160,147), 0.001% Series C2 CCPS into Nil (March 31, 2022: 639,485) equity shares of Rs.2 each	-	-	(1,60,147)	(3.20)
Outstanding at the end of the year	-	-	-	-

(b)Terms/ rights attached to equity shares

i) Equity shares
The Group has only one class of equity shares having par value of Rs.2 per share (March 31, 2022- Rs. 2 per share). Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii) 0.001% Series A compulsorily convertible preference shares
The Group has issued 0.001% Series A compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

iii) 0.001% Series B compulsorily convertible preference shares
The Group has issued 0.001% Series B compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

iv) 0.001% Series B1 compulsorily convertible preference shares
The Group has issued 0.001% Series B1 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

v) 0.001% Series B2 compulsorily convertible preference shares
The Group has issued 0.001% Series B2 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis.

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MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

vii) 0.001% Series C1 compulsorily convertible preference shares
The Group has issued 0.001% Series C1 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

viii) 0.001% Series C2 compulsorily convertible preference shares
The Group has issued 0.001% Series C2 compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share. The CCPS carries preference as to dividend over equity share holders. If dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward to the next year. The preference share holders are entitled to one vote per share at meetings of the Group on any resolutions of the Group directly affecting their rights on fully convertible basis. In the event of liquidation, preference shareholders have a preferential right in accordance with the terms of the agreement.

c) Terms of conversion of preference shares

i) 0.001% Series A compulsorily convertible preference shares
0.001% Series A Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Draft Red Herring Prospectus with SEBI in connection with the Initial Public Offer ('IPO') and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS , not later than maturity date i.e., 19 years from the issue date.

ii) 0.001% Series B compulsorily convertible preference shares
0.001% Series B Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon filing of the Red Herring Prospectus with SEBI in connection with the IPO and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

iii) 0.001% Series B1 compulsorily convertible preference shares
0.001% Series B1 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B1 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. B1 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

iv) 0.001% Series B2 compulsorily convertible preference shares
0.001% Series B2 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the B2 Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. B2 CCPS that have not been converted into Equity Shares as per option above, shall compulsorily convert into Equity Shares on the Maturity Date i.e.,19 years from the issue and allotment date.

v) 0.001% Series C1 compulsorily convertible preference shares
0.001% Series C1 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the New Investor 3 Measurement Event i.e.,(i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined th the agreement or (ii) Transfer of all New Investor 3 Specific Shares pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the New Investor 3 Specific Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the New Investor 3; and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

vi) 0.001% Series C2 compulsorily convertible preference shares

0.001% Series C2 Compulsorily convertible preference shares ('CCPS') having face value of Rs 20 per share shall be entitled to be converted into equity shares at the earliest of the following events in the manner stipulated under Articles of association ('AOA'):
a. upon occurrence of the Investor Measurement Event i.e., (i) one day prior to filing of the Red Herring Prospectus ('RHP') for an IPO or Qualified IPO as defined in the agreement or (ii) Transfer of all the Subscription Shares 2 pursuant to (a) a Third Party Sale, (b) a Strategic Sale or (c) any other sale of all the Subscription Shares 2 Shares, which, in case of (ii) above, would be deemed to be Transferred last, i.e., after Transfer of all other Shares in the Company held by the Investor; and
b. exercise of option by the CCPS shareholder in respect of either the full or part of the CCPS, not later than maturity date i.e., 19 years from the issue and allotment date.

(d) Details of shareholders holding more than 5% shares in the Group

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares of Rs.2 each fully paid up				
G.Madhukar Reddy	1,53,50,400	12.87%	1,53,50,400	12.87%
PI Opportunities Fund I	1,68,34,759	14.11%	1,68,34,759	14.11%
Lavender Rose Investment Ltd	1,77,59,127	14.89%	2,05,83,607	17.24%
Lone furrow investment private limited	1,72,33,240	14.44%	1,72,33,240	14.44%
Agilamad Investments Private Limited	1,56,49,495	13.12%	1,56,49,495	13.12%
SBI Mutual Fund	79,00,000	6.62%	1,06,23,576	8.90%

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

(e) During the five years immediately preceding the year, ended March 31, 2023, no shares have been bought back or issued for consideration other than cash except for bonus shares issued which have been disclosed in point (f) below.

(f) Details of Bonus issue	Number of shares
During the year ended March 31, 2021 the following bonus shares were issued by way of capitalisation of securities premium balance:	
(i) 1.25 equity shares issued as bonus for every 1 equity share held by the equity share holders, rounded off to nearest number	2,54,674
(ii) 1.25 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders, rounded off to nearest number	38,434
(iii) 40 Series A CCPS shares issued as bonus for every 1 Series A CCPS held by the Series A CCPS holders after considering the impact of bonus issue as per (ii) above, rounded off to nearest number	27,67,240
(iv) 40 Series B CCPS shares issued as bonus for every 1 equity shares held by the equity share holders after considering the impact of bonus issue as per (i) above and except to Lone furrow investment private limited and Agilamed Investments Private Limited, rounded off to nearest number	1,19,51,680
(v) 40 Series B1 CCPS shares issued as bonus for every 1 equity shares held by Agilamed Investments Private Limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	30,53,560
(vi) 40 Series B2 CCPS shares issued as bonus for every 1 equity shares held by Lone furrow investment private limited after considering the impact of bonus issue as per (i) above, rounded off to nearest number	33,31,120
	2,13,98,708

(g) Shares reserved for issue under options
For details of shares reserved for issue under the Employee Stock Options and Shares Plan, 2009 (ESOP 2009) of the Company. (refer note 39)

(h)

Details of Promoter shareholding	As at March 31, 2023			As at March 31, 2022	
Promoter Name	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares
Equity shares					
Madhukar Reddy Gangadi	1,53,50,400	12.87%	0.00%	1,53,50,400	12.87%
Agilamed Investments Private Limited	1,56,49,495	13.12%	0.00%	1,56,49,495	13.12%
Lone Furrow Investment Limited	1,72,33,240	14.44%	0.00%	1,72,33,240	14.44%

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

18 **Other equity**

	As at March 31, 2023	As at March 31, 2022
(i) Securities premium		
Opening balance	11,835.54	2,492.69
Add: Issue of shares (refer note:17)	-	5,984.91
Less: Share issue expenses	-	(217.27)
Add: Conversion of CCPS to equity shares	-	3,166.16
Add: Transferred from Share based payment reserve upon exercise of options	30.78	409.05
Add: Proceeds from equity shares issued under ESOP's	10.70	-
Total	11,877.02	11,835.54
Less: Amount recoverable from ESOP trust (refer note 39)	(77.44)	(77.44)
Add: Share based payment reserve adjusted against securities premium	67.51	67.51
Add: Amount recovered from ESOP Trust	7.05	5.86
	(2.88)	(4.07)
Closing balance	11,874.14	11,831.47
(ii) Equity component of compound financial instruments		
Opening balance	-	3,708.06
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
Less: Conversion of 0.001% Series B CCPS into equity shares	-	(239.03)
Less: Conversion of 0.001% Series B1 CCPS into equity shares	-	(61.07)
Less: Conversion of 0.001% Series B2 CCPS into equity shares	-	(66.62)
Less: Conversion of 0.001% Series C1 CCPS into equity shares	-	(11.22)
Less: Conversion of 0.001% Series C2 CCPS into equity shares	-	(3.20)
Less: Transfer Series A CCPS securities premium in to securities premium account	-	(1,981.65)
Less: Transfer Series C1 CCPS securities premium in to securities premium account	-	(751.12)
Less: Transfer Series C2 CCPS securities premium in to securities premium account	-	(214.46)
Less: Transfer Series C2 CCPS fair value increment in to general reserve	-	(322.97)
Closing balance	-	-

Equity component of compound financial instruments includes the following:	**As at March 31, 2023**	**As at March 31, 2022**
(i) Par value of the instruments issued:		
0.001% Series A compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	56.72
Less: Conversion of 0.001% Series A CCPS into equity shares	-	(56.72)
At the end of the year	-	-
0.001% Series B compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	239.03
Less: Conversion of 0.001% Series B CCPS into equity shares	-	239.03
At the end of the year	-	-
0.001% Series B1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	61.07
Less: Conversion of 0.001% Series B1 CCPS into Equity shares	-	61.07
At the end of the year	-	-
0.001% Series B2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	66.62
Less: Conversion of 0.001% Series B2 CCPS into Equity shares	-	66.62
At the end of the year	-	-
0.001% Series C1 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	11.22
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	11.22
At the end of the year	-	-
0.001% Series C2 compulsorily convertible preference shares ('CCPS') of Rs.20/- each		
At the beginning of the year	-	3.20
Less: Conversion of 0.001% Series C2 CCPS in to equity shares	-	(3.20)
At the end of the year	-	-
(ii) Securities premium on CCPS issued		
Opening balance	-	3,270.20
Less: Transfer of CCPS securities premium in to securities premium account	-	(2,947.23)
Less: Fair value movement in the value of the CCPS transfer to general reserve	-	(322.97)
Closing balance	-	-
Amount included in 'Equity component of compound financial instruments' above	-	-

* Rounded off to millions.

(iii) Share based payments reserve		
Opening balance	113.94	486.55
Add: Gross compensation for options granted during the year	221.19	107.37
Less: Transfer to Security premium account	(30.78)	(409.05)
Less: Stock option lapsed	-	(3.42)
Less: Transfer to Amount Recoverable From ESOP Trust In kind	-	(67.51)
Closing balance	304.35	113.94
(iv) General reserve		
Balance at the beginning and at the end of the year	355.03	28.64
Add: Stock option lapsed	-	3.42
Add: Fair value movement in the value of the CCPS transfer to general reserve	-	322.97
	355.03	355.03
(v) Capital reserve		
Balance at the beginning and at the end of the year	0.92	0.92
	0.92	0.92

(vi) Retained earnings	As at March 31, 2023	As at March 31, 2022
Opening balance	1,637.76	661.64
Profit for the year	497.63	958.02
Other comprehensive income for the year	3.34	18.10
	2,138.73	1,637.76
Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi))	14,673.17	13,939.12

Nature and purpose of reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with the provisions of the Act.

b) Share based payment reserve

The Group has granted equity settled share based payment plans for certain categories of employees of the Group (Refer note 39).

c) General reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

d) Capital reserve

The Group has acquired subsidiary through business combination resulting in bargain purchases.

e) Retained earnings

Retained earnings are profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

19 Current Borrowings

	As at March 31, 2023	As at March 31, 2022
Cash credit from banks (secured)*	-	1,426.82
	-	1,426.82

Terms of borrowings:

S.No	Bank Name	As at March 31, 2023	As at March 31, 2022	Security
1	HDFC Bank Limited	-	626.31	refer the below note
2	Axis Bank Limited	-	800.51	refer the below note
	Total	-	1,426.82	

Notes

(a) Cash credit facility availed with Axis bank & HDFC bank, These cash credit facilities are secured by the following:

(i) Pari Passu charge on the entire present and future inventories of Optival Health Solutions Private Limited.
(ii) Pari Passu charge on the entire present and future immovable fixed assets except the following building:
"Unfinished Shop no: G1 in the ground floor of Kama Nil yam in H No:10-1/6 on plot no:3/c at P&T Colony, Gaddiannaram Village, Saroor nagar revenue Mandal, Ranga Reddy District"

(b) Collateral security by way of fixed deposit to Axis Bank Limited, HDFC bank Limited, State Bank of India and Karur Vysya Bank of Rs Nil, (March 31, 2022: Axis Bank Limited and HDFC bank Limited of Rs 193.50).

(c) Personal guarantees of G.Madhukar Reddy (Director of the Company) untill May 2022, No immovable property of personal guarantor shall be encumbered/disposed off without prior consent of the Bank.

The cash credit facility availed during the year carries floating rate of interest in the range of MCLR + 0.45% to 0.55% per annum, (March 31, 2022 MCLR + 0.45% to 0.55% per annum) MCLR ranges from 7.22% to 7.30% per annum.

(d) The Group has complied with the requirement of filing of quarterly returns/statements of current assets with the banks or financial institutions, wherever applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2023. There are no material discrepancies between books of accounts and quarterly statements submitted to banks, where borrowings have been availed based on security of current assets.

* The cash credit loan availed from the bank has been utilised for working capital requirements of the Optival Health Solutions Private Limited, no amount has been utilised for long term purpose. There is no default in the repayment during the year.

20 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Security deposits	7.08	9.07
	7.08	9.07
b. Current		
Payable for capital goods	96.33	88.92
Creditor for expenses	-	0.03
Dues to employees	571.17	434.69
	667.50	523.64

21 Lease liabilities

	As at March 31, 2023	As at March 31, 2022
a. Non-Current		
Lease liabilities (refer note no: 40D)	8,011.80	5,964.91
	8,011.80	5,964.91
b. Current		
Lease liabilities (refer note no: 40D)	987.44	757.62
	987.44	757.62

22 Provisions

	As at March 31, 2023	As at March 31, 2022
a. Non-current		
Provision for gratuity, partly funded (refer note 38)	277.46	203.85
	277.46	203.85
b. Current		
Provision for gratuity, partly funded (refer note: 38)	56.35	50.78
Provision for compensated absences	178.51	142.13
Provision for refund liability (refer note no 2.2h.)	25.78	23.97
	260.64	216.88

Refund liability is accounted based on Group's estimation of expected sales returns. Refer note no: 2.2h of these consolidated financial statements for Group's accounting policies on refund liabilities.

Movement in refund liability

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	23.97	25.46
Add: Provision created during the year	658.59	522.70
Less: Utilised during the year	(656.78)	(524.19)
Balance as at end of the year	25.78	23.97

23 Trade payables

	As at March 31, 2023	As at March 31, 2022
Trade payables		
- total outstanding dues to micro and small enterprises (refer Note 42)	126.35	14.13
- total outstanding dues to other than micro and small enterprises	2,475.09	2,448.19
	2,601.44	2,462.32

Trade payables are non-interest bearing and are normally settled on 01-60 day terms.
For explanations on the Group's credit risk management processes, (refer to note.46)

Ageing of trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	99.46	26.90	-	-	-	126.36
(ii) Others	1,224.58	1,132.33	41.16	1.28	0.77	2,400.12
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	1,324.04	1,159.23	41.16	1.28	0.77	2,526.48
Accrued expenses						74.96
						2,601.44

Ageing of trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.51	3.62	-	-	-	14.13
(ii) Others	1,597.49	793.11	8.87	2.42	1.20	2,403.08
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-
Total	1,608.00	796.73	8.87	2.42	1.20	2,417.21
Accrued expenses						45.11
						2,462.32

24 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	142.98	90.03
Other payables	2.13	30.89
	145.11	120.92

25 Contract liabilities

	As at March 31, 2023	As at March 31, 2022
Advance from customers	22.54	20.16
Deferred revenue on Valueplus rewards scheme (Refer note a)	31.81	55.02
Deferred revenue on Pathology testing services (Refer note a)	39.06	5.59
	93.41	80.77
a. Reconciliation of Deferred revenue		
Balance as at beginning of the year	60.61	82.42
Deferred during the year	120.54	32.74
Released to the statement of profit and loss	(110.28)	(54.55)
Balances as at end of the year	70.87	60.61

26 Current tax liabilities (net)

	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (Net)	10.29	1.15
	10.29	1.15

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

27. Revenue from Contract with customers

	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Revenue from operations		
Sale of goods	44,979.72	37,478.62
Sale of services	307.08	75.13
	45,286.80	37,553.75
b. Other operating revenue		
- Display and other business support income	262.92	213.88
- Others	26.04	25.16
	288.96	239.04
Total	45,575.76	37,792.79

Disclosures as per Ind AS 115

a. Reconciliation of Revenue from contract with customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contract with customers at contracted price	45,951.03	38,088.44
Less: Discounts offered	(7.45)	(10.50)
Less: Sales returns	(656.78)	(524.19)
Revenue from contract with customers	45,286.80	37,553.75

b. Disaggregation of revenues

(i) Based on geography: Entire revenue from contract with customers is from India.

(ii) Based on business segment:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Retail trading of medicines and general items	44,981.26	37,478.99
Diagnostic Services	305.54	74.76
Others	-	-
Revenue from contract with customers	45,286.80	37,553.75

c. Revenues from significant customers

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue.

d. Contract balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables (Refer note 14)	86.51	60.36
Advance from customers(refer note 1 below)	22.54	20.16
Contract assets (refer note 2 below)	25.78	20.95
Deffered.revenue (refer note 3 below)	70.87	60.61

Note 1:

Revenue recognised in the current reporting year that was included in the opening balance of advance from customers is Rs. 22.54 March 31, 2022: Rs. 20.62).

The advances from customers is expected to be utilised with in the next 12 months.

Note 2: Details of Contract Asset

As mentioned in the accounting policies for refund liability, the Group recognises an asset i.e., right to the returned goods (included in inventories) for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Along with remeasuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

As on March 31, 2023, the Group has Rs 25.78 (March 31, 2022: Rs 20.95) as contract asset representing the right to the returned goods (included in inventories).

Note 3: Details of deferred revenue

Tabulated below is the reconciliation of deferred revenue for the years ended March 31, 2023 and March 31, 2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance at the beginning of the year	60.61	82.42
Deferred during the year	120.54	32.74
Released to the statement of profit and loss	(110.28)	(54.55)
Balance at the end of the year	70.87	60.61

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

28. Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income		
on bank deposits	176.72	88.44
Others	101.16	48.88
Insurance claims received	0.09	0.73
Rental income (refer note:43(b))	10.08	14.06
Amount recoverable from employees	78.61	47.12
Foreign exchange fluctuation gain (net)	0.90	0.06
Gain on de-recognition of Right-of-use assets	42.00	38.18
Government grant (refer note:55)	27.57	33.86
Miscellaneous income	23.65	42.30
	460.78	313.63

29. Cost of materials consumed

	For the year ended March 31, 2023	For the year ended March 31, 2022
Raw material and packing material		
Inventories at the beginning of the year	33.18	22.37
Add: Purchases	282.71	205.21
Less: Inventories at the end of the year	57.09	33.18
Cost of material consumed	258.80	194.40

30. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	20.26	19.42
Stock-in-trade	8,971.07	7,377.77
Work-in-progress	2.61	2.37
	8,993.94	7,399.56
Less : Inventories at the end of the year		
Finished goods	22.60	20.26
Stock-in-trade	11,175.14	8,971.07
Work-in-progress	7.44	2.61
	11,205.18	8,993.94
Change in inventories	(2,211.24)	(1,594.38)

31. Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	4,745.42	3,469.35
Contribution to provident and other funds * (refer note: 38)	307.76	228.07
Gratuity expense (refer note: 38)	95.90	74.46
Employees stock option compensation expenses (refer note: 39)	221.19	107.37
Staff welfare expenses	81.02	59.95
	5,451.29	3,939.20

32. Depreciation and amortisation expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	450.60	240.10
Amortisation of intangible assets	17.11	11.24
Depreciation of right-of-use assets (refer note:40)	1,352.64	942.26
Less: Amount transferred to capital work-in-progress*	(4.79)	-
	1,815.56	1,193.60

33. Finance costs

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost	9.16	52.65
Interest on lease liabilities (refer note:40)	821.11	611.63
	830.27	664.28

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

34. Other expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	1.28	2.53
Rates and taxes	28.34	32.35
Electricity charges	317.15	177.78
Communication costs	118.90	86.25
Travelling and conveyance	88.11	54.25
Printing and stationary	110.73	65.68
Legal and Professional charges - Doctors Fees	56.90	-
Legal and professional charges - Others	61.49	60.43
Payment to auditors (refer note 35)	9.92	6.73
Insurance	19.22	15.39
Repairs and maintenance		
- Plant and machinery	61.90	45.71
- Others	119.05	68.52
Packing and forwarding charges	475.76	334.62
Commission and brokerage	89.20	71.04
Advertisement and sales promotion	112.60	67.82
Director Sitting fees	6.65	4.45
Credit/debit card commission charges	156.97	165.15
Provision for doubtful debts	4.68	1.57
Provision for doubtful deposits	3.33	2.12
Provision for doubtful advances	3.75	3.34
Foreign exchange fluctuation loss (net)	-	0.14
Loss on sale of property, plant and equipment	3.54	1.82
Advances/debts written off	1.06	0.26
Corporate social responsibility expenditure (refer note: 48)	16.02	9.92
Miscellaneous expenses	24.33	28.29
	1,890.91	1,306.16

35. Payment to statutory auditors

	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fee*	8.90	5.89
Certification	0.48	0.32
Reimbursement of expenses	0.54	0.50
	9.92	6.71

* Auditor's fees of Rs.Nil (March 31, 2022 18.81) towards IPO deliverables is not included.

36. Earnings per equity share (EPES)

The following reflects the earnings and share data used in the basic and diluted EPES computations:

		For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity holders of the Company for basic and diluted earnings per equity share		497.63	958.02
Earnings per equity share			
Weighted average number of shares for considered for Basic EPES			
(i)	Equity shares		
	Number of shares at the beginning of the year	11,93,05,676	4,36,645
	Weighted average number of shares issued during the year	-	20,46,319
	Add: Conversion of CCPS to equity	-	4,77,74,742
	Add: Exercise of employee stock options during the period	-	65,813
	Add: Increase on account of share split during the year	-	17,46,580
	Weighted average number of shares outstanding during the year	**11,93,05,676**	**5,20,70,099**
(ii)	Compulsorily Convertible Preference Shares ('CCPS')		
	Number of shares at the beginning of the year	-	2,10,23,264
	Add: Increase on account of share split during the year	-	8,40,93,056
	Add: Exercise of employee stock options during the year	-	26,32,517
	Less: Conversion of CCPS to equity shares	-	(4,77,74,742)
	Weighted average number of shares outstanding during the year	-	**5,99,74,095**
Weighted average number of shares for considered for Basic EPES (i)+(ii)		**11,93,05,676**	**11,20,44,194**
Add: Number of dilutive potential equity shares on account of share options granted including bonus shares issued during the year		3,45,267	4,31,204
Weighted average number of equity shares for diluted EPES		**11,96,50,943**	**11,24,75,398**
Face value of each equity share (In absolute Rs. terms)		2	2
Earnings per equity share (EPES) (In absolute Rs. terms)			
- Basic		4.17	8.55
- Diluted		4.17	8.52

Note: Since the fair value of equity share is lower than the fair value of exercise price there is no impact for the year ended March 31, 2023

B S R & Associates LLP CHARTERED ACCOUNTANTS

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

37. Taxes

(a) The major components of income tax expenses for the year ended March 31, 2023 and for the year ended March 31, 2022 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
Current income tax charge	180.48	304.15
Taxes relating to earlier years	0.05	(2.91)
Deferred tax (benefit)/ expense		
Relating to origination and reversal of temporary differences	(209.95)	(68.97)
Total income tax expense recognised in statement of Profit and Loss	(29.42)	232.27

(ii) OCI Section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax expense		
On remeasurement of defined benefit plans	(1.27)	(5.58)
Income tax charged to Other Comprehensive Income	(1.27)	(5.58)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax (A)	471.83	1,179.43
Enacted tax rate in India (B)	25.17%	25.17%
Expected tax expenses (C = A*B)	118.70	296.84
Tax effect on non-deductible expenses (net) (D)	5.33	9.07
Deferred tax not recognised on losses	0.54	-
Tax benefits availed u/s 80JJAA of Income Tax Act (E)	(79.27)	(53.47)
Deferred Tax benefits availed u/s 80JJAA of Income Tax Act (E)	(97.39)	-
Deferred tax on consolidation adjustment	7.74	9.34
Others (F)	14.93	(26.61)
Total Tax expense (C+D+E+F)	(29.42)	235.18
Adjustments in respect of current income tax of previous year	-	(2.91)
Total	(29.42)	232.27
Tax expense as per Statement of Profit and Loss Account ((a)(i) above)	(29.42)	232.27

(c) The major components of deferred tax (liabilities)/assets (net) arising on account of timing differences are as follows:

As at March 31, 2023	March 31, 2022	Retained earnings	Profit and Loss 2022-23	OCI 2022-23	March 31, 2023
Deferred tax asset (net)					
Difference between depreciation on fixed assets as per books of accounts and as per Income Tax Act, 1961	71.20	-	11.87	-	83.07
Provision for expenses allowed for tax purpose on payment basis	101.49	-	30.80	(1.27)	131.02
Remeasurement benefit of the defined benefit plans through OCI	-		-	-	-
Claim on 80JJAA	-		97.39	-	97.39
Lease liabilities	235.08		61.62	-	296.70
Expense claimed for tax purpose on payment basis	6.15	-	0.52	-	6.67
Deferred tax on consolidation adjustment	35.53	-	7.74	-	43.27
Deferred tax benefit/ (expense)		-	209.94	(1.27)	
Deferred tax asset (net)	449.45				668.12

As at March 31, 2022	March 31, 2021	Retained earnings	Profit and Loss 2021-22	OCI 2021-22	March 31, 2022
Deferred tax asset (net)					
Difference between depreciation as per books of accounts and as per Income Tax Act, 1961	66.26	-	4.94	-	71.20
Provision for expenses allowed for tax purpose on payment basis	89.92	-	17.15	(5.58)	101.49
Lease liabilities	196.56	-	38.52	-	235.08
Expense claimed for tax purpose on payment basis	7.13	-	(0.98)	-	6.15
Deferred tax on consolidation adjustment	26.20	-	9.34	-	35.53
Deferred tax expense		-	68.97	(5.58)	
Deferred tax asset (net)	386.07				449.45

(d) As a matter of prudence, the Parent Company has not recorded deferred tax asset (net) on carry forward of business losses of certain components and the carrying amounts of assets as at March 31, 2023 aggregating to Rs. 257.49 (March 31, 2022: Rs.134.43), since the Parent Company is not probable that taxable profit will be available against which the deferred tax asset can be utilised.

Note 1:
The Optival health Solutions Private Limited has received a demand notice of Rs. 434.51 from the Income tax authorities on account of addition of certain items in the total income for financial year 2019-20. The matter is currently pending for disposal by the High Court. However, on the basis of receipt of an advise from an independent external consultant, Company is confident that the probability of the said assessment being settled against the Company is remote and accordingly, these financial statements do not warrant any adjustments in this regard.

Note 2:
Medplus Health Services Limited has received a demand notice of Rs. 34.86 on account of certain disallowances and additions to the total income. The Company has filed an appeal with the Commissioner of Income Tax (Appeals) challenging the said demand. On the basis of evaluation of the said demand notice and the underlying facts & an independent external consultant, the Company is confident that the matter would be settled in its favour. Accordingly, no adjustments have been made to these financial statements in this regard.

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

B S R & Associates LLP CHARTERED ACCOUNTANTS

49. Segment information

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Segment Reporting", taking into consideration the internal organisation and management structure as well as the differential risk and returns of the segment. Operating segments are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM).The Managing Director is the Group CODM within the meaning of Ind AS 108.During the year, the group has two primary segments i.e. (i) Retail trading of medicines and general items, & (ii) Diagnostic services.

Particulars	March 31, 2023					March 31, 2022				
	Retail	Diagnostics	Others	Unallocated	Total	Retail	Diagnostics	Others	Unallocated	Total
REVENUE										
External sales	44,979.74	305.54	1.52	-	45,286.80	37,478.99	74.76	-	-	37,553.75
Inter-segment sales	-	-	-	-	-	-	-	-	-	-
Total revenue	44,979.74	305.54	1.52	-	45,286.80	37,478.99	74.76	-	-	37,553.75
Less: Eliminations	-	-	-	-	-	-	-	-	-	-
Other operating revenue	288.96	-	-	-	288.96	239.04	-	-	-	239.04
Total Revenue from operations	45,268.70	305.54	1.52	-	45,575.76	37,718.03	74.76	-	-	37,792.79
Segment results	599.12	(294.50)	(0.90)		303.72	1,280.87	(137.23)	-	-	1,143.64
Interest expense	-	-		(8.81)	(8.81)	-	-	-	(52.65)	(52.65)
Interest income	-	-		176.72	176.72	-	-	-	88.44	88.44
Profit before tax					471.63					1,179.43
Tax benefit / (expenses)					29.42					(232.27)
Profit for the year					501.05					947.16
OTHER INFORMATION										
Segment assets	23,029.62	1,719.85	-	3,217.71	27,967.18	18,711.40	816.36	-	6,412.72	25,940.48
Total assets					27,967.18					25,940.48
Segment liabilities	12,118.54	932.44	-	11.19	13,062.17	11,312.57	454.23	-	1.15	11,767.95
Total liabilities					13,062.17					11,767.95
Capital expenditure	1,285.40	402.63	-	2.02	1,690.05	770.93	406.28	-	-	1,177.21
Depreciation and amortization expense	1,684.02	131.37	-	0.17	1,815.56	1,193.60	-	-	-	1,193.60
Interest income	97.68	3.28	-	176.72	277.68	48.40	0.48	-	88.44	137.32
Finance Cost	756.01	65.45	-	8.81	830.27	585.78	25.85	-	52.65	664.28
Non-cash expenses other than depreciation	797.46	109.79	-	0.04	907.29	231.27	2.17	-	-	233.44

(A) Analysis of revenue by geography

The group operates within India and does not have operations in economic environments with different risks and returns. Hence, no separate financial disclosures are provided in respect of its geographical segment.

(B) Information about revenue from major customers which is included in revenue

There is no transactions with single external customer which amounts to 10% or more of the Group's revenue.

(C) In order to align with the current business structure, the group has carried out necessary change in the composition of its reportable segments. The Group has identified primarily two reportable segments, based on review by the Chief operating Decision Maker (CODM; which is the Managing Director), i.e. (i) Retail trading of medicines and general items, and (ii) Diagnostic services. The comparative information as presented in the consolidated segment information have been restated to this effect in accordance with Ind AS 108

MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

38 **Employee benefits**

I. **Post Employment Benefits**

A. **Defined Benefits Plan - Gratuity**

Gratuity benefits provided by the Group

Group has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is partly funded with an insurance company in the form of a qualifying insurance policy managed by Life Insurance corporation of India.

The components of gratuity cost recognised in the consolidated statement of profit and loss and other comprehensive income for the years ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	343.82	303.26
Current service cost	77.42	59.48
Interest on defined benefit obligations	24.66	20.36
Benefit Payments from Plan Assets	(5.53)	
Benefits paid	(11.37)	(13.55)
Re-measurements due to:		
Remeasurements- due to change in assumptions	(3.36)	(10.16)
Actuarial loss due to demographic assumptions	-	2.29
Remeasurements- due to experience adjustment	(1.65)	(17.86)
Defined benefit obligations at the end of the year	**423.99**	**343.82**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	89.19	77.72
Employer contributions	0.69	15.27
Employer Direct benefits payments	0.05	
Interest on plan assets	6.31	5.68
Benefits paid	(5.73)	(7.34)
Expenses	(0.04)	(0.06)
Remeasurements-return on plan assets	(0.29)	(2.28)
Plan assets at the end of the year	**90.18**	**89.19**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	77.42	59.48
Interest on net defined benefit liability, net	24.66	20.36
Reimbursement Service Cost	-	(0.02)
Excepted return on plan assets	(5.35)	(5.36)
Gratuity cost recognised in statement of profit and loss	**95.73**	**74.46**
Remeasurement on the net defined benefit liability:		
Remeasurements - due to change in assumptions	(3.38)	(10.16)
Remeasurements - due to experience adjustment	(1.65)	(17.86)
Remeasurements - return on plan assets	0.40	4.16
Defined benefit costs recognised in other comprehensive income	**(4.61)**	**(23.86)**
Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	423.99	343.82
Fair value of plan assets	(90.18)	(89.19)
Net defined benefit liability recognised	**333.81**	**254.63**

Bifurcation of net defined benefit liability

Particulars	As at March 31, 2023	As at March 31, 2022
Current liabilities	56.35	50.78
Non-current liabilities	277.46	203.85
	333.81	254.63

Sensitivity Analysis: Increase/ (decrease) in obligation

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Effect of 1% change in assumed discount rate		
- 1% increase	(23.63)	(18.31)
- 1% decrease	26.60	20.60
(b) Effect of 1% change in assumed salary escalation rate		
- 1% increase	26.43	20.57
- 1% decrease	(24.23)	(18.80)
(c) Effect of 1% change in assumed attrition rate		
- 1% increase	(4.02)	(3.01)
- 1% decrease	4.35	3.27

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.50% to 7.52%	7.31% to 7.34%
Rate of return of plan assets	7.27% to 7.52%	7.07% to 7.34%
Attrition rate		
below 30 Years	27.18%	27.18%
31-40 years	18.47%	18.47%
41-50 Years	13.40%	13.40%
51 years and above	12.26%	12.26%
Rate of compensation increase	9% to 15%	9% to 15%

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The expected future cash flows in respect of gratuity were as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expected future benefit payments		
Less than a year	56.80	50.67
Between 2-5 years	207.91	168.02
More than 5 years	184.56	143.14

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.
Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
Attrition rate: Represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.
Sensitivity analysis: The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

B. Defined Contribution Plan

Provident fund benefits

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and Employee state insurance, which is defined contribution plan. The Group has no obligations other than to make specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

The amount recognised as an expense for the year aggregated to Rs. 307.76 (March 31, 2022: Rs 228.07) and is included in "contribution to provident fund and other funds.

II. Other benefits

Leave compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The amount recognised as an expense towards leave encashment for the year aggregated to Rs. 66.66 (March 31,2022: Rs. 42.50).

39. Employee stock option plan

(I) MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009)

(a) The Group instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees. The options vest over a period of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares. During the year ended March 31, 2023, the following scheme is under operation:

Pursuant to a resolution passed by the Board of Directors on February 17, 2011, the Company had formed a trust (MedPlus Employee Benefit Trust) to implement and administer ESOP 2009 and had allotted 9,673 options to the Trust.
The Group has allotted (before giving impact of bonus & split) 4,110 equity shares against 4,110 granted options and 5,563 shares (against 5,563 non- granted option) to the trust at premium of Rs. 0.01102 per share and Rs. 0.00578 per share respectively, aggregating total securities premium of Rs. 77.44.

Amount receivable from the trust for options granted aggregating to Rs.77.54 (Face value – Rs 0.10 and Premium of Rs 77.44) has been accounted as 'Amount recoverable from Trust in kind' and has been deducted from share capital and securities premium respectively as these are in the nature of own shares held. The same will be adjusted at the time of exercise of options by the employees.

During the year March 31, 2023 416 (March 31, 2022 8,760) options were exercised by employees which resulted in
(i) Increase in paid up capital by March 31, 2023 Rs. 0.00 (March 31, 202: Rs. 0.09) and
(ii) Increase of securities premium by March 31, 2023 Rs. Nil (March 31, 202: Rs. 67.51)
Further, recovery of March 31, 2023 11.89 (March 31, 202: Rs. 5.86) from ESOP trust was done on account of exercised options.

Employees stock option and share plan 2009

Particulars	March 31, 2023	March 31, 2022
Number of options granted	Nil	905
Method of settlement (Cash/Equity)	NA	Equity
Vesting period	NA	300 options have vested 266 options vest over the finanical year 2022-23 174 options vest over the finanical year 2023-24 153 options vest over the finanical year 2024-25 12 options vest over the finanical year 2025-26
Exercise period	NA	4 years for 905 options Committee may extend the Exercise period on case to case basis.
Vesting conditions	NA	None

(b) The details of the activity have been summerised below

Particulars	As at March 31, 2023 (No. of equity shares)	As at March 31, 2022 (No. of equity shares)
Outstanding at the beginning of the year	905	9,173
Exercisable at the beginning of the year	300	8,770
Granted during the year	-	562
Forfeited during the year	-	-
Exercised during the year	416	8,760
Vested during the year	216	355
Expired during the year	100	70
Outstanding at the end of the year*	389	905
Exercisable at the end of the year	100	300
Weighted average remaining contractual life (in years)	-	-

* One option equals to 461.25 equity shares

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(ii) MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021)

(a)The Group instituted MedPlus Employees Stock Option and Shares Plan 2021 (ESOP 2021). The Board of directors approved the plan on August 9, 2021. The plan is effective from August 9, 2021 which provided for issue of 1,117,612 stock options to eligible employees. The options vest over a period of four years from the grant date at 10%, 25%, 25% and 40% respectively, as a % of options granted. Vesting period may be accelerated on deserving cases, subject to applicable law and minimum vesting period of at least one year. During the year ended March 31, 2023 the Group has granted 85,841 (March 31, 2022: 70,317) Options to its employees and 36,900 (March 31, 2022: 865,587) Options to the employees of its subsidiaries under Employee stock option and Share plan 2021 after taking necessary approval at an exercise price of Rs 541.98 per option on March 30, 2023 (March 31, 2022: 232 per option on November 22, 2021).

Employees stock option and share plan 2021

Particulars	March 31, 2023	March 31, 2022
Number of options granted	1,32,841	935,904
Method of settlement (Cash/Equity)	Equity	Equity
Vesting period	9,594 options vest in 12 months from the grant date. 23,985options vest in 24 months from the grant date. 23,985 options vest in 30 months from the grant date. 38,377options vest in 36 months from the grant date.	106,316 options vest in 12 months from the grant date. 239,574 options vest in 24 months from the grant date. 5,095 options vest in 30 months from the grant date. 224,289 options vest in 36 months from the grant date. 5,095 options vest in 42 months from the grant date. 355,535 options vest in 48 months from the grant date.
Exercise period	3 years	3 years
Vesting conditions	None	None

(b) The details of the activity have been summarized below

Particulars	March 31, 2023 (No. of options)	March 31, 2022 (No. of options)
Outstanding at the beginning of the year	9,35,904	-
Exercisable at the beginning of the year	-	-
Granted during the year	1,32,841	9,35,904
Forfeited during the year	30,987	-
Exercised during the year	-	-
Vested during the year	1,04,328	-
Expired during the year	-	-
Outstanding at the end of the year	10,37,758	9,35,904
Exercisable at the end of the year	1,04,328	-
Weighted average remaining contractual life (in years)	-	-

(c) Stock options granted during the year

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2023	March 31, 2022
Weighted average share price/ market value	634.56	796.80
Exercise price (Rs. per share)	541.98	232.00
Options granted	1,32,841	935,904
Date of grant	March 30, 2023	November 22, 2021
Expected volatility	20.00%	28.8% to 30.04%
Life of the options granted (vesting and exercise period) in years	Vesting period + 4 years	Vesting period + 3 years
Expected dividend	0%	0%
Average risk-free interest rate	6.75% - 7.25%	5.4% to 6.2%
Expected term based on vesting period	1 year - 4 years	1 year - 4 years
Weighted average fair value of the option granted	204.00	634.37

Effect of the employee option plan on the Statement of Profit and Loss and on its financial position

Particulars	March 31, 2023	March 31, 2022
Total employee compensation cost pertaining to stock option plan	221.19	107.37
Reserves - employee stock option plan outstanding as at the year end	304.34	113.94

Note: The management of the Company made an application with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) during the year ended 31 March 2023 in connection with seeking their approval for allotment of equity shares of the Company to the employees of the subsidiaries granted in accordance with The ESOP 2021 plan. An in-principle approval of the BSE and NSE has been received in this regard. However, the approval is subject to ratification of the scheme and the underlying stock options granted to the employees of the subsidiaries through a separate Special Resolution by the shareholders of the Company. The necessary process to seek the approval of the shareholders has already been initiated by the management subsequent to the year ended 31 March 2023. However, in view of the management, the said process is not expected to have any impact on these financial statements, including the accounting for the stock options granted to the employees of the subsidiaries

40. Lease

A The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the rightof-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

B Movement of right of use asset for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Building	Total
Gross carrying amount as at March 31, 2021	-	5,082.58	5,082.58
Additions	-	3,183.43	3,183.43
Deletions	-	414.41	414.41
Gross carrying amount as at March 31, 2022	-	7,831.60	7,831.60
Additions	62.55	3,638.44	3,700.99
Deletions	-	354.25	354.25
Gross carrying amount as at March 31, 2023	62.55	11,115.79	11,178.34
Accumulated Depreciation			
Depreciation as at March 31, 2021	-	(1,233.84)	(1,233.84)
Depreciation charge for the year	-	(942.26)	(942.26)
Deletions	-	(236.07)	(236.07)
Depreciation as at March 31, 2022	-	(1,940.03)	(1,940.03)
Depreciation charge for the year	(2.96)	(1,349.68)	(1,352.64)
Deletions	-	(136.31)	(136.31)
Depreciation as at March 31, 2023	(2.96)	(3,153.40)	(3,156.36)
Carrying amounts			
Net block as at March 31, 2022	-	5,891.57	5,891.57
Net block as at March 31, 2023	59.59	7,962.39	8,021.99

* The aggregate Depreciation expenses for the year on Right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

C The Following is the rental expenses and income recorded for short term leases, variable leases and low value leases for the year ended March 31,2023& March 31,2022

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short -term lease expense	1.28	2.53
Rental income from sub-lease	10.08	14.06
Total		

D Following are the changes in the lease liabilities for the year ended March 31, 2023 and March 31, 2022:

Particulars	Machinery	Building	Amount
Balance as at March 31, 2021	-	4,549.78	4,549.78
Additions	-	3,046.32	3,046.32
Finance cost accrued during the year	-	611.63	611.63
Deletions	-	217.19	217.19
Payment of lease liabilities	-	1,268.01	1,268.01
Balance as at March 31, 2022	-	6,722.53	6,722.53
Additions	56.08	3,363.83	3,419.91
Finance cost accrued during the year	2.12	819.99	821.11
Deletions	-	259.08	259.08
Payment of lease liabilities	4.10	1,701.12	1,705.22
Balance as at March 31, 2023	54.10	8,945.15	8,999.25

Bifurcation of lease liabilities	As at March 31, 2023	As at March 31, 2022
Non-current lease liabilities	8,011.80	5,964.91
Current lease liabilities	987.44	757.62

E The following is the cash outflow on leases during the year ended March 31, 2023 and March 31, 2022:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Payment of lease liabilities	1,705.22	1,268.01
Short-term lease expense	1.28	2.53
Total cash outflow on leases	1,706.50	1,270.54

F The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1,768.55	1,496.34
1 to 5 years	7,300.96	5,350.18
Over 5 years	2,972.01	3,366.93

a. The Group does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when fall due.

b. Lease payments during the year have been disclosed under financing activities in the Consolidated Statement of Cash flows.

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MEDPLUS HEALTH SERVICES LIMITED * HYDERABAD

41. Capital commitments and contingent liabilities

(A.) Capital Commitments

(i) As at March 31, 2023 the Group has commitments of Rs. 63.52 (March 31, 2022: Rs.209.54) relating to contracts remaining to be executed on capital account after considering the capital advances paid.

(B.) Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
i) Claims against the Group not acknowledged as debt		
Income tax	111.78	111.78
Value added tax	7.08	7.08
	118.86	118.86

(ii) During the year ended March 31, 2015, Ritemed Pharma Retail Private Limited (merged entity) had received an assessment order for the assessment year 2012 -13 proposing an adjustment of Rs.18.37 to the returned loss. Ritemed Pharma Retail Private Limited (merged entity) had filed an appeal before Commissioner of Income Tax (Appeals), thereby revising the adjustment to Rs 8.2 with revised tax demand of Rs 2.66. Group filed an appeal in Income-tax Appellate Tribunal, based on its internal assessment is confident that the matter will be decided in its favour and no adjustment to the financial statement is required.

iii) The Payment of Bonus (Amendment) Act, 2015 had been notified in the financial year 2015-16. Among other amendments, it has increased, with retrospective effect from April 1, 2014, the scope of coverage by revising the salary ceiling for eligible employees and also increasing the salary limit capped for the purpose of calculating bonus. Based on the legal advice and the interim stay granted by various high courts on retrospective application of the aforesaid amendment, the Group has not accrued for bonus for the financial year 2014-15 amounting to Rs. 8.61 and merged entity Ritemed Pharma Retail Private Limited amounting to Rs 4.5.

iv) On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has assessed the impact of the matter and concluded that there is no material impact on the financial statements. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

v) Ritemed Pharma Retail Private Limited (merged with Optival Health Solutions Private Limited w.e.f. April 01, 2016), subsidiary company, had entered into the following transactions during the year ended March 31, 2011:

I) Purchase of goods aggregating to Rs.312.25 for the period May 7, 2010 to March 3, 2011 from the Optival Health Solutions Private Limited; and
II) Purchase of goods and services aggregating to Rs.21.80 and sale of goods and services aggregating to Rs.15.15 for the period April 1, 2010 to March 3, 2011 from one of the covered entities - Optival Health Solutions Private Limited.

The above transactions require prior approval of the Central Government under the provisions of Section 297 of the erstwhile Companies Act, 1956. The above transactions are part of normal business transactions at prevailing market prices. Ritemed Pharma Retail Private Limited, subsidiary company, has applied to the appropriate regulatory authorities for regularization on June 10, 2011. Management is confident that the penalties, if any, that may arise on account of such non-compliance will not be material.

vi) During the previous year, the Group has received Assessment order u/s.143(3) of Income tax Act, 1961 dated November 29, 2019 for the assessment year 2017-18 with an addition of Rs.420.37 to the returned income and a tax demand of Rs.192.54 on such addition. The addition made to returned income is the difference between turnover reported in VAT returns and Sales as per financial statements.
As per the VAT laws of Karnataka, Turnover to be reported in the VAT returns is at maximum retail price (MRP) and whereas financials turnover will be at actual sale value. The above difference is due to reporting of Turnover in VAT Returns as per Local Laws and does not require addition to income. Accordingly, the Group filed an appeal with CIT(Appeals) - Bengaluru on December 13, 2019, based on its internal assessment it is confident that the matter will be decided in its favor and no adjustment to the consolidated financial statement is required.

(vii) The Group is subject to legal proceedings and claims before various tax authorities, customers, vendors and other regulators which have arisen in the ordinary course of business and which are pending at various levels of judicial and appellate authorities. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the claimants or the Group, as the case may be and therefore timing of cash flows cannot be predicted. The Group engages reputed professional advisors wherever required to protect its interests and has been advised that it has strong legal positions against such disputes. The Group believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.
(viii) On March 31, 2020, Gangadi Investments Private Limited ("GIPL") transferred 1,199 equity shares of the Company to Shore Pharma LLC, a non-resident entity ("GIPL Transfer"), for which GIPL filed a form FC-TRS. GIPL received an email from the RBI dated June 2, 2020 approving the said transfer and advising the Company to pay a late submission fee of ₹ 34,515 for contravention under Regulation 4 (3) of the RBI notification no. FEMA 395/2019-RB dated October 17, 2019, and to apply for compounding of the contravention. The Company had filed an application for compounding on July 6, 2021, which was returned by RBI due to certain discrepancies. The Company is in the process of re-filing the application for compounding with RBI. The Company believe that penalty if any to be levied by RBI will not be material.

42. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondance with its customers the Entrepreneurs Memorandum Number as allocated after filing the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2023 and March 31, 2022 has been made in the consolidated financial statements based on information received and available with the Group. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

Particulars	As at March 31, 2023	As at March 31, 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	126.25	14.13
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

Note : This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Group and has been relied upon by the auditors.

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43. Related party Disclosure

A Nature of relationship and names of related parties

(i) Subsidiaries

1. Optival Health Solutions Private Limited
2. MHS Pharmaceuticals Private Limited
3. NovaSud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)
4. Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)
5. Kalyani Medikmas Private Limited
6. Sai Sridhar Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
7. Venkata Krishna Enterprises Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
8. Deccan Medisales Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
9. Shri Banashankari Pharma Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
10. Sidson Pharma Distributors Private Limited – Subsidiary of Nova Sud Pharmaceuticals Private Limited
11. Clearancekart Private Limited
12. Medplus Insurance Brokers Private Limited

(ii) Key management personnel

1. G. Madhukar Reddy – Managing Director
2. C. Bhaskar Reddy – Executive Director (upto July 5, 2021)
3. Hemanth Kundavaram - Chief Financial Officer (upto June 5, 2022)
4. Sujit Kumar Mahato- Chief Financial Officer (w.e.f November 11, 2022)
5. Parag Jain- Company Secretary (upto January 14, 2022)
6. Shilpi Keswani- Company Secretary (upto March 30, 2023)
7. Manoj Kumar Srivastava- Company Secretary (w.e.f March 30, 2023)

(iii) Directors

1. Murali Sivaraman - Independent Director (w.e.f 11 June 2021)
2. Madhavan Ganesan - Independent Director (w.e.f 11 June 2021)
3. Hiroo Mirchandani - Independent Director (w.e.f 5 July 2021)
4. Atul Gupta - Non Executive Director (w.e.f 6 February 2021)
5. Anish Kumar Saraf - Non Executive Director (w.e.f 6 February 2021)

(iv) Entities over which shareholders, key management personnel exercise control or significant influence

1. Hinshitsu Manufacturing Private Limited
2. Agilemed Investments Private Limited (formerly known as Agilemed Investment Private Limited)
3. Lone Furrow Investment Private Limited

(v) Employee Benefit Plans

1. Medplus Employees Group Gratuity Assurance Scheme
2. Optival Employees Group Gratuity Assurance Scheme

(b) Related party transactions during the year ended	March 31, 2023	March 31, 2022
(i) Enterprises over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited		
Purchase of Property,Plant & Equipment	74.23	100.65
Purchase of Intangible asset	-	11.19
Purchase of Materials	0.42	-
Sale of Asset	-	38.05
Rental income	0.69	0.65
Purchase of Stock-in-trade	1.40	-
Rental expense	2.70	0.68
Reimbursement of expenses received	2.06	0.30
2. Agilemed Investments Private Limited		
Rental income	0.03	0.03
(ii) Key Management Personnel		
1. G. Madhukar Reddy		
a. Managerial remuneration		
Short-term employee benefits	4.00	4.00
b. Rent	3.19	3.06
2. C. Bhaskar Reddy		
a. Managerial remuneration		
Short-term employee benefits	-	1.53
Share based payments	-	5.14
3. Hemanth Kundavaram		
a. Remuneration		
Short-term employee benefits	2.14	8.79
Share based payments	-	1.85
4. Parag Jain		
a. Remuneration		
Short-term employee benefits	-	1.01
5. Shilpi Keswani		
a. Remuneration		
Short-term employee benefits	1.03	0.21
6. Sujit Kumar Mahato		
a. Remuneration		
Short-term employee benefits	4.34	-
b. Share-based payment expense	0.04	-
7. Sitting fee paid to directors	8.65	4.45

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(c) Balances Receivable / (Payable)	March 31, 2023	March 31, 2022
(I) Key Management Personnel		
1. G. Madhukar Reddy	0.73	0.48
2. C. Bhaskar Reddy	-	-
(II) Entities over which shareholders, key management personnel exercise control or significant influence		
1. Hinshitsu Manufacturing Private Limited	2.32	(2.11)

Refer note 19 for the details of the guarantees given by related parties to the lenders of the Group.

Note:

1. All transactions with these related parties are priced on an arm's length basis and are to be settled in cash. All the outstanding balances are unsecured, interest free. The assessment is undertaken each financial year through evaluating the financial position of the related party and the market in which the related party operates.
2. Managerial remuneration does not include post employment benefit which is determined for Group as whole.

44. Fair Values

Refer Note 2.2(s) for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Financial assets at amortised cost:				
a) Trade receivables	86.51	60.36	86.51	60.36
b) Cash and cash equivalents	2,283.75	214.55	2,283.75	214.55
c) Bank balances other than above	554.60	129.50	554.60	129.50
d) Others	822.33	7,242.74	822.33	7,242.74
Total Financial assets	3,747.19	7,647.15	3,747.19	7,647.15
Financial liabilities				
Financial liabilities at amortised cost:				
a) Borrowings	-	1,426.82	-	1,426.82
b) Trade payables	2,601.44	2,462.32	2,601.44	2,462.32
c) Lease liability	8,999.24	6,722.53	8,999.24	6,722.53
d) Others	674.58	532.71	674.58	532.71
Total Financial Liabilities	12,275.26	11,144.38	12,275.26	11,144.38

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

45. Fair value hierarchy

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46. Financial risk management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include lease rental deposits, loans, trade receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same.

Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors is responsible for overseeing the Group's risk assessment and management policies and processes.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group has floating rate of borrowings. The exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ (decrease) in profit before tax	
	March 31, 2023	March 31, 2022
Change in interest rate		
- Increase by 50 basis points	-	(3.69)
- Decrease by 50 basis points	-	3.74

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk, except for trade receivables.

Trade and other receivables

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits as defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109.

The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 86.51 and Rs 68.05 as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 days	More than 180 days	Total
As at March 31, 2023	67.80	18.71	86.51
As at March 31, 2022	54.61	13.44	68.05

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables :

Particulars	March 31, 2023	March 31, 2022
At the beginning of the year	7.69	20.73
Provision for impairment	4.68	1.57
Receivables written off during the year as uncollectible	-	(0.20)
Unused amounts reversed	(5.92)	(14.41)
At the end of the year	6.45	7.69

Other financial instruments including cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the authorised person. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2023:				
Trade payables	2,601.44	-	-	2,601.44
Other financial liabilities	667.50	7.08	-	674.58
Lease liability	1,768.55	7,300.96	2,972.01	12,041.52
	5,037.49	7,308.04	2,972.01	15,317.54

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:				
Borrowings	1,426.82	-	-	1,426.82
Trade payables	2,462.32	-	-	2,462.32
Other financial liabilities	523.64	9.07	-	532.71
Lease liability	1,496.34	5,350.18	3,366.93	10,213.45
	5,909.12	5,359.25	3,366.93	14,635.30

47. **Capital Management**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Group's monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings including interest accrued on borrowings less cash and short-term deposits.

	March 31, 2023	March 31, 2022
Borrowings including interest accrued on borrowings	-	1,426.82
Less: Cash and cash equivalents	2,283.75	(214.55)
Less: Margin deposits with bank	-	(193.50)
Net debt	2,283.75	1,018.77
Equity	238.61	238.60
Other Equity	14,673.17	13,939.12
Total Equity	14,911.78	14,177.72
Gearing ratio (Net Debt/ (Net Debt+Total Equity))	-	0.07

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.
The Group has no outstanding borrowings as at March 31, 2023

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023.

48. **Details of Corporate Social Responsibility (CSR) expenditure**

	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Group during the year	16.02	9.92
(b) Amount approved by the Board to be spent during the year	16.02	9.92
(c) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	16.02	9.92
(d) (Shortfall) / Excess at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Details of related party transactions	-	-
(g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.	-	-
(h) Reason for shortfall:	NA	NA

For the year ending March 31, 2023 and March 31, 2022 : No shortfall

Nature of CSR activities:

i) Payment to Prime minister national relief fund
ii) Education
iii) Hunger management
iv) Covid activities

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MEDPLUS HEALTH SERVICES LIMITED HYDERABAD

MedPlus Health Services Limited (formerly known as MedPlus Health Services Private Limited)
CIN - L85110TG2006PLC051845
Notes to consolidated financial statements for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except for share data or otherwise stated)
50. Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - General instructions for the preparation of consolidated financial statements

Name of the Entity	Net Assets i.e., Total Assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	% of Net of Consolidated Net Assets	Rs.	% of Net of Consolidated profit & Loss	Rs.	% of Other Comprehensive Income	Rs.	% of Total Comprehensive Income	Rs.
Parent								
MedPlus Health Services Private Limited								
Balance as at March 31, 2023	76.54%	11412.78	11.06%	55.44	-106.59%	(3.56)	10.29%	51.88
Balance as at March 31, 2022	78.49%	11127.84	5.89%	55.78	6.40%	1.17	5.90%	56.95
Subsidiaries in India								
Optival Health Solutions Private Limited ('OHSPL')								
Balance as at March 31, 2023	75.81%	11453.84	77.93%	390.49	202.69%	6.77	78.76%	397.26
Balance as at March 31, 2022	43.61%	6183.14	86.68%	820.08	91.52%	16.73	86.68%	836.81
MHS Pharmaceuticals Private Limited ('MHS')								
Balance as at March 31, 2023	1.47%	219.88	-0.16%	(0.82)	0.00%	0.00	-0.16%	(0.82)
Balance as at March 31, 2022	1.56%	220.70	-0.14%	(1.31)	0.00%	0.00	-0.14%	(1.31)
Agilemed Investment Private Limited (formerly known as Ritecure Pharma Private Limited) ('APPL')								
Balance as at March 31, 2023	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Balance as at March 31, 2022	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Wynclark Pharmaceuticals Private Limited (formerly known as Medsupply Distributors Private Limited)('WPPL')								
Balance as at March 31, 2023	0.98%	146.45	11.13%	55.75	0.00%	0.00	11.05%	55.75
Balance as at March 31, 2022	0.64%	90.71	4.72%	44.73	0.00%	0.00	4.63%	44.73
Nova Sud Pharmaceuticals Private Limited (formerly known as Panindia Pharma Distributors Private Limited)('NPPL')								
Balance as at March 31, 2023	0.42%	62.63	-0.36%	(1.82)	0.00%	0.00	-0.36%	(1.82)
Balance as at March 31, 2022	0.45%	64.46	0.18%	1.71	0.00%	0.00	0.18%	1.71
Sai Sridhar Pharma Private Limited ('SSPPL')								
Balance as at March 31, 2023	0.97%	144.95	6.45%	32.34	3.29%	0.11	6.43%	32.45
Balance as at March 31, 2022	0.79%	112.50	2.58%	24.42	0.66%	0.12	2.54%	24.54
Venkata Krishna Enterprises Private Limited ('VKEPL')								
Balance as at March 31, 2023	1.58%	235.71	11.40%	57.10	1.50%	0.05	11.33%	57.15
Balance as at March 31, 2022	1.25%	177.40	4.26%	40.29	-0.22%	(0.04)	4.17%	40.25
Deccan Medisales Private Limited ('DMPL')								
Balance as at March 31, 2023	0.47%	70.41	1.91%	9.55	-0.30%	(0.01)	1.89%	9.54
Balance as at March 31, 2022	0.43%	60.86	0.82%	7.76	-1.15%	(0.21)	0.78%	7.57
Shri Banashankari Pharma Private Limited ('SBPPL')								
Balance as at March 31, 2023	0.01%	0.81	-0.03%	(0.17)	0.00%	0.00	-0.03%	(0.17)
Balance as at March 31, 2022	0.01%	0.97	-0.09%	(0.87)	0.00%	0.00	-0.09%	(0.87)
Sidson Pharma Distributors Private Limited ("SPDPL")								
Balance as at March 31, 2023	0.48%	71.44	2.96%	14.91	-0.60%	(0.02)	2.95%	14.89
Balance as at March 31, 2022	0.40%	56.33	1.36%	13.17	-0.11%	(0.02)	1.36%	13.16
Kalyani Meditimes Private Limited ("KMT")								
Balance as at March 31, 2023	-0.04%	(6.44)	1.44%	7.24	0.00%	0.00	1.44%	7.24
Balance as at March 31, 2022	-0.10%	(13.69)	-3.33%	(31.52)	2.90%	0.53	-3.21%	(30.99)
ClearanceKart Private Limited								
Balance as at March 31, 2023	0.00%	(0.05)	0.00%	(0.06)	0.00%	0.00	0.00%	(0.06)
Balance as at March 31, 2022	0.00%	0.01	0.00%	(0.09)	0.00%	0.00	0.00%	(0.09)
MedPlus Insurance Brokers Private Limited*								
Balance as at March 31, 2023	0.00%	19.21	0.00%	(0.79)	0.00%	0.00	0.00%	(0.79)
Minority interests in all subsidiaries								
Balance as at March 31, 2023	-0.05%	(6.77)	0.68%	3.42	0.00%	0.00	0.68%	3.42
Balance as at March 31, 2022	-0.04%	(5.19)	-1.15%	(10.86)	0.98%	0.18	-1.11%	(10.68)
Consolidation adjustments								
Balance as at March 31, 2023	-59.64%	(8893.85)	-24.42%	(122.37)	0.00%	0.00	-24.26%	(122.37)
Balance as at March 31, 2022	-27.50%	(3898.31)	-1.71%	(16.24)	-0.98%	(0.18)	-1.70%	(16.42)
Total								
Balance as at March 31, 2023	100.00%	14911.78	100.00%	501.05	100.00%	3.34	100.00%	504.39
Balance as at March 31, 2022	100.00%	14177.72	100.00%	947.16	100.00%	18.28	100.00%	965.44

Notes
1) Net assets means total assets minus total liabilities excluding shareholders funds. Net assets and share in profit or loss for the parent company and subsidiaries are as per the standalone financials of the respective entities.

2) The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter-company transactions/profits/consolidation adjustments have been disclosed separately.

*The Holding Company subscribed to 2,00,000 shares of 10 each of MedPlus Insurance Brokers Private Limited, which was incorporated on July 14, 2022 under the Companies Act, 2013.

B S R & Associates LLP • CHARTERED ACCOUNTANTS •

MEDPLUS HEALTH SERVICES LIMITED ★ HYDERABAD

51. The Group does not have any has long term contracts or derivative contracts on which material foreseeable losses were noted.

52. The Group has granted loans and made investment in some of its subsidiaries and other parties. Loans has been given for general corporate purpose. In some of the cases, the subsidiary has utilised borrowings for further investment as per their business requirement. However, none of those borrowings have been utilised for further advancement of loans/investment for the year ended March 31, 2023 and March 31, 2022.

53. Other statutory information

(i) Based on the available information, the Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(iii) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The group has complied with the number of layers prescribed under the Companies Act, 2013.

(x) The Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company

54. Initial Public Offer and Utilization of Proceeds

The holding Company has completed an Initial Public Offer ('IPO') of 17,573,342 equity shares of face value of Rs. 2 each during the year ended March 31, 2022 along with a consequent listing of its equity shares on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The IPO involved a Fresh Issue of 7,544,511 equity shares by the Company for an amount of Rs. 6,000 and an offer for sale of 1,00,28,831 equity shares by certain shareholders for an amount of Rs. 7,982.95. Further, an amount of Rs. 536.83 has been incurred towards the IPO related expenses which are proportionately allocated between the Company and the Selling Shareholders as per respective offer size, with the Company' share of expenses aggregating to Rs. 217.27 being adjusted against the balance of Securities Premium in accordance with the provisions of the Companies Act, 2013. The net proceeds received from the aforesaid IPO would be utilized towards investment in a subsidiary for meeting its working capital requirements and towards general corporate purposes.

The utilization of IPO proceeds received by the holding Company (Net of IPO related expense) is summarized below:

Objects as per Prospectus	Planned utilisation as per Prospectus	Utilisation up to March 31,2023*	Unutilised amount as on March 31,2023*
i) Investment in Subsidiary, Optival Health Solutions Private Limited towards their working capital requirements	4,671.70	4,671.70	-
ii) General Corporate Purposes	1,111.03	326.43	784.60
Total	5,782.73	4,998.13	784.60

* Out of the aforesaid unutilised proceeds, amount of Rs. 784.60 have been placed as fixed deposits with bank .

55. Government Grant

Other operating revenue includes incentives against skill development under National Apprenticeship Promotion Scheme of Rs. 27.57 (March 31, 2022, Rs. 33.86).

56. The Board of Directors of the Company, at their meeting held on 10 January 2023, have approved a Scheme of amalgamation (Scheme) between the Company and MHS Pharmaceuticals Private Limited (MHS), a wholly owned subsidiary, with an appointed date of 1 April 2023. The management is in the process of filing the Scheme with the National Company Law Tribunal and other regulators for their approval

As per our report of even date
For B S R & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Arpeet Jain
Partner
Membership Number: 125710

Hyderabad, May 25, 2023

For and on behalf of the Board of Directors of
MedPlus Health Services Limited
(formerly known as MedPlus Health Services Private Limited)

G.Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

Suji Kumar Mahato
Chief Financial Officer

Hyderabad, May 25, 2023

Manoj Kumar Srivastava
Company Secretary

Hyderabad, May 25, 2023

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Unaudited Standalone Balance sheet June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Notes	As at June 30, 2023	As at March 31, 2023
ASSETS			
Non Current Assets			
Property, plant and equipment	**3a**	98,33,55,625	93,55,83,098
Capital work-in-progress	**3b**	13,80,96,848	17,90,90,456
Other Intangible assets	**3c**	3,20,57,260	3,41,36,436
Right-of-use assets	**4**	83,87,80,746	82,43,97,283
Financial assets			
Investments	**5**	9,20,89,75,967	9,17,15,76,495
Trade receivables	**11**		
Other financial assets	**7**	1,67,18,529	2,57,54,728
Non-current tax assets (net)	**8**	2,90,97,754	2,46,80,877
Other non-current assets	**9**	2,13,27,655	1,83,62,384
		11,26,84,10,383	**11,21,35,81,757**
Current Assets			
Inventories	**10**	8,28,18,583	6,68,80,048
Financial assets			
Trade receivables	**11**	33,93,53,003	37,61,17,372
Cash and cash equivalents	**12**	44,13,25,019	35,70,36,800
Bank balances other than cash and cash equivalents	**13**	40,86,84,898	54,45,97,381
Loans	**6**	-	-
Other financial assets	**7**	5,57,54,311	5,56,17,246
Other current assets	**9**	9,35,49,824	10,56,06,323
		1,42,14,85,639	**1,50,58,55,170**
Total Assets		**12,68,98,96,021**	**12,71,94,36,927**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**14**	23,86,06,382	23,86,06,382
Other equity	**15**	11,18,15,03,602	11,17,42,95,320
Total Equity		**11,42,01,09,984**	**11,41,29,01,702**
Liabilities			
Non Current Liabilities			
Financial liabilities			
Lease liabilities	**17**	83,37,34,121	80,81,52,418
Provisions	**19**	1,46,52,517	1,83,52,211
		84,83,86,638	**82,65,04,629**
Current Liabilities			
Financial liabilities			
Lease liabilities	**17**	4,92,30,398	4,98,89,322
Trade payables	**16**		
- Total outstanding dues to micro and small enterprises		-	36,07,044
- Total outstanding dues to other than micro and small enterprises		8,96,06,881	12,41,75,338
Other financial liabilities	**18**	21,49,58,485	22,96,14,980
Other current liabilities	**20**	1,31,43,374	2,10,17,842
Contract liabilities	**21**	4,30,16,816	4,13,98,565
Provisions	**19**	1,14,43,444	1,03,27,505
		42,13,99,399	**48,00,30,596**
Total Liabilities		**1,26,97,86,037**	**1,30,65,35,225**
Total Equity and Liabilities		**12,68,98,96,021**	**12,71,94,36,927**

For MedPlus Health Services Limited

Sd/-
G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Unaudited Standalone Statement of profit and loss for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Notes	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
Income			
Revenue from operations	**22**	71,89,19,254	2,13,92,74,332
Other income	**23**	1,80,73,180	16,23,97,173
Total income		**73,69,92,434**	**2,30,16,71,505**
Expenses			
Purchases of stock-in-trade	**24**	42,22,41,753	1,31,49,10,433
Cost of materials consumed	**25**	9,89,98,642	25,77,72,420
Changes in inventories of finished goods, work-in-progress a	**26**	(53,41,948)	(39,62,357)
Employee benefits expense	**27**	9,75,80,306	28,14,39,581
Finance costs	**29**	2,07,87,987	6,54,47,947
Depreciation and amortisation expense	**28**	5,53,72,797	15,30,69,461
Impairment reversals (net)		-	(6,94,35,954)
Other expenses	**30**	8,22,01,927	22,65,22,763
Total expenses		**77,18,41,463**	**2,22,57,64,294**
Profit/(Loss) before tax		**(3,48,49,029)**	**7,59,07,211**
Tax expense			
Current Tax		-	2,04,24,470
Deferred Tax*		-	-
Total tax expense		**-**	**2,04,24,470**
Profit/(Loss) for the period		**(3,48,49,029)**	**5,54,82,741**
Other Comprehensive Income (OCI)			
Items not to be reclassified to profit or loss:			
Re-measurement gain /(loss) on employee defined benefit plans		-	(35,61,344)
Income tax effect on the above		-	-
Other comprehensive income for the period, net of tax		**-**	**(35,61,344)**
Total comprehensive gain/(loss) for the period		**(3,48,49,029)**	**5,19,21,397**

For MedPlus Health Services Limited

Sd/-
G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
4.	Right-of-use assets	83,87,80,746	82,43,97,283
		83,87,80,746	**82,43,97,283**
5.	**Investments**		
	Investments in subsidiaries carried at cost less impairment		
	a) Unquoted equity instruments		
	209,784,441 (March 31, 2023: 209,784,441) equity shares of Rs.10 each fully paid-up in Optival Health Solutions Private Limited	8,27,11,50,787	8,27,11,50,787
	7,010,000 (March 31, 2023: 7,010,000) equity shares of Rs.10 each fully paid-up in MHS Pharmaceuticals Private Limited	7,01,00,000	7,01,00,000
	6,860,000 (March 31, 2023: 6,860,000) equity shares of Rs.10 each fully paid-up in Nova Sud Pharmaceuticals Private Limited (formerly known as Pan India Pharma Distributors Private Limited)	6,86,00,000	6,86,00,000
	14,077,350 (March 31, 2023: 14,077,350) equity shares of Rs.10 each fully paid-up in Wynclark Pharmaceuticals Private Limited (formerly known as Med supply Distributors Private Limited)	14,07,73,500	14,07,73,500
	10,000 (March 31, 2023: 10,000) equity shares of Rs.10 each fully paid-up in Clearancekart Private Limited	1,00,000	1,00,000
	10,000 (March 31, 2023: 10,000) equity shares of Rs.10 each fully paid-up in Clearancekart Private Limited	2,00,00,000	2,00,00,000
	386,636 (March 31, 2023: 386,636) equity shares of Rs.10 each fully paid-up in Kalyani Meditimes Private Limited	3,50,00,000	3,50,00,000
	Aggregate gross value on unquoted investments (A)	**8,60,57,24,287**	**8,60,57,24,287**
	Deemed investment		
	Optival Health Solutions Private Limited	62,83,33,774	59,12,25,350
	MHS Pharmaceuticals Private Limited	19,20,834	19,20,834
	Venkata Krishna Enterprises Private Limited	76,09,555	73,68,982
	Sidson Pharma Distributors Private Limited	3,87,517	3,37,042
	Aggregate value on deemed investments (B)	**63,82,51,680**	**60,08,52,208**
	Aggregate value on unquoted investments including deemed investments (C=A+B)	**9,24,39,75,967**	**9,20,65,76,495**
	Less: Impairment in value of investments	(3,50,00,000)	(3,50,00,000)
	Aggregate amount of impairment in value of investments (D)	**(3,50,00,000)**	**(3,50,00,000)**
	Total	**9,20,89,75,967**	**9,17,15,76,495**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
	Aggregate value on unquoted investments including deemed investme	9,24,39,75,967	9,20,65,76,495
	Aggregate fair value of quoted investments	-	-
	Aggregate provision for impairment in value of investments	(3,50,00,000)	(3,50,00,000)
	Movement in provision for impairment:	-	
	Opening balance	(12,57,73,500)	(12,57,73,500)
	Addition	-	-
	Deletion	-	-
	Closing balance	**(12,57,73,500)**	**(12,57,73,500)**
6.	**Loans**		
	Unsecured, considered Doubtful		
	Loan to Subsidiary	1,78,24,000	1,78,24,000
	Provision for Advances Recoverable	(1,78,24,000)	(1,78,24,000)
		-	-
7.	**Other financial assets**		
	Non-current		
	Unsecured, considered good		
	Security deposits - Good	1,67,18,529	2,57,54,728
		1,67,18,529	**2,57,54,728**
	Unsecured, considered Doubtful		
	Receivable from related party	-	-
	Security deposits - Doubtful	1,02,59,643	4,59,643
		1,02,59,643	4,59,643
	Less: Provision for doubtful receivables	-	-
	Less: Provision for doubtful deposits	(1,02,59,643)	(4,59,643)
		-	-
	Total non-current	**1,67,18,529**	**2,57,54,728**
	Current		
	Unsecured, considered good		
	Bank Deposits with remaining maturity of less than 12 months	1,05,20,889	1,05,20,887
	Deposit with others	3,00,00,000	3,00,00,000
	Interest accrued on fixed deposits	44,86,180	48,31,861
	Advances to employees - Current	18,09,483	13,26,739
	Share issue expense receivable	89,37,759	89,37,759
	Total current	**5,57,54,311**	**5,56,17,246**
8.	**Non-current tax asset**		
	Unsecured, considered good		
	Advance Tax	2,90,97,754	2,46,80,877
	Total	**2,90,97,754**	**2,46,80,877**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
9.	**Other assets**		
	Non-current		
	Unsecured, Considered Good		
	Balances with statutory / government authorities	4,19,328	4,13,120
	Capital advances - non current	2,09,08,327	1,79,49,264
	Unsecured, considered doubtful		
	Balances with statutory / government authorities	1,14,973	1,14,973
		2,14,42,628	**1,84,77,357**
	Provision for doubtful balances	(1,14,973)	(1,14,973)
	Total non-current	**2,13,27,655**	**1,83,62,384**
	Current		
	Balances with statutory / government authorities	-	30,76,970
	Advance to vendors	8,78,03,444	9,82,95,408
	Prepaid expenses	57,46,380	42,33,946
	Total current	**9,35,49,824**	**10,56,06,323**
10.	**Inventories**		
	(Valued at lower of cost or net realisable value)		
	Raw material (including packing material)	5,88,10,225	5,12,12,963
	Work In Process	92,08,877	57,83,916
	Finished goods	71,56,592	52,40,088
	Stores and consumables	76,41,484	46,42,160
	Traded goods	1,406	922
		8,28,18,583	**6,68,80,048**
11.	**Trade receivables**		
	Non-current		
	Considered doubtful		
	Trade receivables considered good - unsecured	-	-
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	-	-
		-	-
	Less: Allowance for expected credit loss and credit impairment	-	-
		-	**-**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
	Current		
	Considered good		
	Related party	33,87,21,729	37,53,19,702
	Non Related party	14,46,652	16,13,048
	Trade receivables considered good - unsecured*	34,01,68,380	37,69,32,749
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	(8,15,377)	(8,15,377)
		33,93,53,003	**37,61,17,372**
	Total	**33,93,53,003**	**37,61,17,372**
12.	**Cash and cash equivalents**		
	Cash on hand	4,73,281	5,53,168
	Balances with banks		
	- On current accounts	38,51,741	1,08,83,032
	Bank deposits with original maturity of less than three months	43,69,99,997	34,56,00,600
		44,13,25,019	**35,70,36,800**
13.	**Other bank balances**		
	Bank deposits with original maturity of more than 3 months and less t	40,86,84,898	54,45,97,381
	Re-classified to other financial assets	-	-
		40,86,84,898	**54,45,97,381**
14.	**Equity Share capital**		
	Issued, subscribed and fully paid up shares		
	Opening share capital	23,86,11,352	23,86,11,352
	Less: amount recoverable from Medplus Employees Benefit Trust (ESOP Trust)	(4,970)	(4,970)
	Closing share capital	**23,86,06,382**	**23,86,06,382**
15.	**Other equity**		
	(i) Securities premium		
	Opening balance	11,87,70,19,626	11,83,55,40,286
	Add: Transferred from share based payment reserve upon exercise of options	-	3,07,75,822
	Add: Proceeds from issue of equity shares issued under ESOP's	-	1,07,03,518
		11,87,70,19,626	11,87,70,19,626
	Less: Amount recoverable from ESOP trust in kind	(7,74,35,956)	(7,74,35,956)
	Add: Share based payment reserve adjusted against securities premium	6,75,13,263	6,75,13,263
	Add: Proceeds from equity shares under ESOP's	70,49,536	70,49,536
		(28,73,157)	(28,73,157)
	Closing Balance	**11,87,41,46,469**	**11,87,41,46,469**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
15.	**Other equity (continued)**		
	(ii) Share based payment reserve		
	Opening balance	30,43,56,488	11,39,40,995
	Add: Gross compensation for options granted during the year	4,20,57,310	22,11,91,315
	Add: Impact of modification to ESOP Plan		-
	Less: Transfer to Security premium account	-	(3,07,75,822)
	Closing balance	**34,64,13,798**	**30,43,56,488**
	(iii) General reserve		
	Balance at the beginning of the year	35,50,25,034	35,50,25,034
	Add: Stock options lapsed	-	-
	Add: Fair value movement in the value of the CCPS transfer to gener	-	-
	Balance at the end of the year	**35,50,25,034**	**35,50,25,034**
	(iv) Capital reserve		
	Balance at the beginning of the year	76,18,368	76,18,368
	Add: Stock options lapsed	-	-
	Add: Fair value movement in the value of the CCPS transfer to gener	-	-
	Balance at the end of the year	**76,18,368**	**76,18,368**
	(v) Amalgamation adjustment account		
	Opening balance	(9,83,61,677)	(9,83,61,677)
	Add: Pursuant to a BTA	-	-
	Closing balance	**(9,83,61,677)**	**(9,83,61,677)**
	(vi) Retained earnings		
	Opening balance	(1,26,84,89,362)	(1,32,04,10,759)
	Profit/(Loss) for the year	(3,48,49,029)	5,54,82,741
	Other comprehensive income for the year	-	(35,61,344)
	Closing balance	**(1,30,33,38,391)**	**(1,26,84,89,362)**
	Total Other equity ((i)+(ii)+(iii)+(iv)+(v)+(vi))	**11,18,15,03,602**	**11,17,42,95,320**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
16.	**Trade payables**		
	Total outstanding dues to micro and small enterprises (MSME)	-	36,07,044
	- Total outstanding dues other than micro and small enterprises:		
	to related parties	-	13,61,104
	- to others	8,96,06,881	12,28,14,234
		8,96,06,881	**12,77,82,382**
17.	**Lease liabilities**		
	Non-current		
	Lease liabilities	83,37,34,121	80,81,52,418
		83,37,34,121	**80,81,52,418**
	Current		
	Lease liabilities	4,92,30,398	4,98,89,322
		4,92,30,398	**4,98,89,322**
18.	**Other financial liabilities**		
	Creditors for capital goods	71,79,516	2,02,00,914
	Employee dues payable	3,17,88,969	3,34,24,065
	Payable to related party	-	-
	Purchase consideration payable	17,59,90,001	17,59,90,001
		21,49,58,485	**22,96,14,980**
19.	**Provisions**		
	Non-current		
	Provision for gratuity	1,46,52,517	1,83,52,211
	Provision for compensated absences	-	-
		1,46,52,517	**1,83,52,211**
	Current		
	Provision for gratuity	14,47,580	14,47,580
	Provision for compensated absences	99,95,864	88,79,925
		1,14,43,444	**1,03,27,505**
20.	**Other current liabilities**		
	Statutory liabilities	1,31,43,374	2,10,17,842
		1,31,43,374	**2,10,17,842**
21.	**Contract liabilities**		
	Advance from customers	27,98,485	23,42,619
	Deferred revenue on Membership fees	4,02,18,330	3,90,55,946
		4,30,16,816	**4,13,98,565**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
22.	**Revenue from operations**		
a.	**Revenue from Operations**		
	Sale of services	13,89,88,674	30,55,56,881
	Sale of goods	55,19,53,713	1,71,82,12,010
b.	**Other operating revenue**		
	Management and administrative fees income	91,73,085	4,87,45,723
	Brand fee	1,88,03,782	6,67,59,718
		71,89,19,254	**2,13,92,74,332**
23.	**Other income**		
	Interest income		
	- On bank deposits	1,42,76,519	13,46,59,746
	- Others	6,80,537	74,88,106
	Rental income	22,91,086	63,14,890
	Financial guarantee income	-	14,68,150
	Liabilities no longer required written back	2,33,874	7,21,25,912
	Gain on de-recognition of Right-of-use assets	1,36,719	20,34,722
	Miscellaneous income	4,54,445	77,41,600
		1,80,73,180	**23,18,33,127**
24.	**Purchases of stock-in-trade**		
	Purchases of stock-in-trade	41,22,17,815	1,28,38,31,488
	Add: Carriage inwards	1,00,23,938	3,10,78,944
		42,22,41,753	**1,31,49,10,433**
25.	**Cost of materials Consumed**		
	Raw materials at the beginning of the year	5,58,55,122	3,19,35,423
	Add: Purchases	10,95,95,228	28,16,92,119
	Less: Raw materials at the end of the year	6,64,51,708	5,58,55,122
		9,89,98,642	**25,77,72,420**
26.	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the beginning of the year		
	Finished goods	52,40,088	48,58,457
	Work-in-progress	57,83,916	12,52,269
	Stock-in-trade	922	9,51,844
	Less : Inventories at the end of the year		
	Finished goods	71,56,592	52,40,088
	Work-in-progress	92,08,877	57,83,916
	Stock-in-trade	1,406	922
		(53,41,948)	**(39,62,357)**

MedPlus Health Services Limited
CIN - L85110TG2006PLC051845
Notes to standalone unaudited financial statements for the period ended June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Particulars	For the Period ended Jun 30, 2023	For the year ended March 31, 2023
27.	**Employee benefits expense**		
	Salaries, wages and bonus	8,28,86,455	23,67,19,943
	Contribution to provident fund and other funds	49,22,809	1,20,45,639
	Gratuity expense	23,00,306	78,01,953
	Staff welfare expenses	28,12,899	68,05,655
	Share-based payment expense	46,57,837	1,80,66,391
		9,75,80,306	**28,14,39,581**
28.	**Depreciation expense**		
	Depreciation of property, plant and equipment	2,96,86,371	6,75,92,709
	Amortisation on Intangible asset	20,79,176	94,30,730
	Amortisation on right-of-use assets	2,36,07,250	7,60,46,022
		5,53,72,797	**15,30,69,461**
29.	**Finance costs**		
	Interest on lease liabilities	2,07,87,987	6,54,47,947
		2,07,87,987	**6,54,47,947**
30.	**Other expenses**		
	Rates and taxes	14,73,090	39,07,272
	Electricity charges	1,26,70,112	2,57,15,156
	Communication costs	6,01,463	16,27,106
	Travelling and conveyance	19,75,109	67,46,015
	Printing and stationary	13,99,135	76,23,134
	Legal and Professional charges - Doctors Fees	2,72,36,690	5,68,98,948
	Legal and professional charges	23,46,665	2,70,90,192
	Payment to auditors (refer details below)	3,00,000	17,05,500
	Directors Sitting Fees	5,50,000	48,50,000
	Insurance	5,57,856	29,79,889
	Repairs and maintenance		
	- Plant and machinery	65,14,519	1,45,16,263
	Advertisement and sales promotion	1,24,83,791	6,28,43,751
	Management and administrative fees	21,86,867	-
	Provision for doubtful debts	-	4,28,447
	Provision for doubtful deposits	98,00,000	-
	Provision for doubtful Advances	-	35,07,290
	Advances/debts written off	-	1,28,684
	Miscellaneous expenses	21,06,624	59,55,117
		8,22,01,927	**22,65,22,763**
	Payment to auditor		
	As auditors:		
	Statutory audit fee	3,00,000	15,00,000
	Reimbursement of expenses	-	2,05,500
		3,00,000	**17,05,500**

For MedPlus Health Services Limited

Sd/-
G. Madhukar Reddy
Chairman and Managing Director
DIN: 00098097

GPHK & ASSOCIATES
Chartered Accountants

Phone 23260211, 23226061
e-mail gphkca@gmail.com

INDEPENDENT AUDITOR'S REPORT

Annexure F

To
The Members of MHS Pharmaceuticals Private Limited

Report on the audit of the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of MHS Pharmaceuticals Private Limited ("the Company"), which comprise of balance sheet as at 31st March, 2023, the Statement of Profit and Loss (including the other comprehensive income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the Ind AS 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 Ind AS 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Loss and total comprehensive income, changes in equity and its cash flows for the Year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No.43 of financial statements which describes proposed merger of the company with Holding Company i.e., Medplus Health Services Limited. Our opinion is not modified in respect of this matter.

Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include Ind AS 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 Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

Contd 2

3-6-199, Fifth Floor, Dr Narsimha Reddy K Shamantha Reddy Estates, Himayath Nagar Main Road, Hyderabad-500029

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our 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.

Responsibilities of management for Ind AS financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is 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 management 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 Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing (SA's) 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

Contd 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that
   i. the back-up of Microsoft Excel Worksheets which form part of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 March 2023 and
   ii. the back-up of Accounting Software which form part of the books of account has not been kept on servers physically located in India on a daily basis during the period from 11 August 2022 till 31 December 2022.

(c) The balance sheet, the statement of profit and loss, statement of changes in Equity and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

Contd 4

(e) On the basis of the written representations received from the directors as on 31st March, 2023, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and

(g) With respect to other matters to be included in the Auditor's report in accordance with requirements of section 197(16) of the act:
During the year company has not paid remuneration to its directors, accordingly reporting requirements on compliance of limits as laid down in section 197 are not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented to us that to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary, shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(ii) The management has represented to us that to the best of it's knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the company from any person (s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(iii) Based on information and explanation provided to us and other audit procedures performed, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

Contd 5

v. During the year, company has not declared any dividend.

for GPHK & ASSOCIATES
Chartered Accountants
[Firm Registration No. 008053S]



(K Naveen Kumar)
Partner
M. No. 216984
UDIN: 23216984BGWEJB5602

Place: Hyderabad
Date: 23rd May 2023

Annexure-A to the Auditor's Report

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 does not have any intangible assets, Accordingly, paragraph 3 (i)(a)(B) of the order is not applicable.

(b) According to the information and explanations provided to us, Property, Plant and Equipment have been physically verified by the management at intervals which in our opinion, 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) There are no immovable properties held by the company. Accordingly, paragraph 3 (i)(c) of the order is not applicable.

(d) According to the information and explanations provided to us, Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, paragraph 3 (i)(d) of the order is not applicable.

(e) Based on the information and explanation provided to us, no proceedings have been initiated or pending against the company under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, Accordingly, paragraph 3 (i)(e) of the order is not applicable.

ii. (a) The company has not dealt with inventory during the year and hence reporting under clause 3(ii)(a) of the order is not applicable.

(b) Company does not have sanctioned working capital limits during any point of time of the year, accordingly Paragraph 3(ii)(b) of the order is not applicable.

iii. According to the information and explanation given to us, during the year, Company has not made any investments, provided any guarantee or security, granted any loans or advances in the nature of loans Secured or Unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, paragraph 3(iii) of the order is not applicable.

iv. In our opinion and according to the information and explanation provided to us, the company has not granted any loans or made investments or provided any guarantee or security to the parties covered under section 185 and 186 of the companies' act, 2013. Accordingly, Paragraph 3(iv) of the order is not applicable.

v. In our opinion and according to the information and explanation provided to us the Company has not accepted any deposits or amounts deemed to be deposits. Accordingly, paragraph 3(v) of the order is not applicable.

vi. To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the activities of the Company. Accordingly, paragraph 3(vi) of the order is not applicable.

vii. According to the information and explanations given to us, in respect of Statutory dues:

(a) The company has been regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employees state insurance, income tax and other material statutory dues as applicable to it with appropriate authorities during the year and there were no arrears of such dues outstanding for a period of more than six months from the date, they became payable as on 31st March, 2023.



Contd. 2

(b) There are no dues of income tax or other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanation provided to us, no tax assessments were made during the year with respect to unrecorded income under the Income Tax Act, 1961, hence Paragraph 3(viii) of the order is not applicable.

ix. (a) Company does not have any loans or borrowings during the year, accordingly, paragraph 3(ix)(a) of the order is not applicable.

(b) Based on information and explanation provided to us, company is not declared as wilful defaulter by any bank or financial institution or other lenders.

(c) During the year, company has not raised any term loans, funds on short term basis, any funds from any entity or person on account of or to meet obligations of subsidiaries, associates or joint ventures and loans by way of pledge of securities held in its subsidiaries, Joint ventures or associate companies. Accordingly, paragraph 3(ix) (c)(d)(e)(f) of the order are not applicable.

x. (a) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer during the year, accordingly, paragraph 3(x)(a) of the order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(x)(b) of the order is not applicable.

xi. (a) No fraud by the Company or on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the companies act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government.

(c) Based on information and explanation provided to us, no whistle-blower complaints have been received by the company. Accordingly, paragraph 3(xi) (c) of the order is not applicable.

xii. The company is not a Nidhi company. Accordingly, paragraph 3(xii)(a),(b),(c) of the order is not applicable.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards and provisions of section 177 is not applicable to company.

xiv. In our opinion and based on our examination, company is not required to have internal audit system as per the provisions of the companies Act 2013 and it does not have an internal audit system. Accordingly, paragraph 3(xiv)(b) of the order is not applicable.

xv. According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

xvi. Based on the information and explanation provided to us, company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a),(b),(c),(d) of the order are not applicable.

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

Contd..3

xvii. Company has not incurred cash losses in current financial year and in immediately preceding financial year.

xviii. There has been no resignation of statutory auditor during the year. Accordingly, paragraph 3(xviii) of the order is not applicable

xix. According to the information and explanation provided and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that 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. According to the information and explanations given to us with respect to Corporate Social responsibility obligation U/s. 135 (5) of the companies act, 2013 there is no amount remaining unspent at the end of the financial year with respect to other than ongoing projects. Company is not undertaking any ongoing projects, accordingly paragraphs 3(xx)(a)(b) of the order are not applicable.

for GPHK & ASSOCIATES
Chartered Accountants
[Firm Registration No. 008053S]



(K Naveen Kumar)
Partner
M. No. 216984

Place: Hyderabad
Date: 23rd May 2023

Annexure – B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MHS Pharmaceuticals Private Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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"). These responsibilities include 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 accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the standards on Auditing prescribed under section 143(10) of the Companies Act, 2013 and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the Ind AS financial statements

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future years are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the guidance note.

for GPHK & ASSOCIATES
Chartered Accountants
[Firm Registration No. 008053S]

(K Naveen Kumar)
Partner
M. No. 216984

Place: Hyderabad
Date: 23rd May 2023

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Balance sheet as at March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

	Notes	March 31,2023	March 31,2022
ASSETS			
Non Current Assets			
Property, plant and equipment	3	0.01	0.02
Right-of-use assets	39	16.07	28.96
Financial assets			
Others	4	2.38	2.64
Deferred tax Asset	16	2.60	2.90
Non-Current tax assets	6	0.72	0.59
		21.78	**35.11**
Current Assets			
Financial assets			
Trade receivables	7	45.93	48.02
Cash & cash equivalents	8	0.45	1.85
Others	4.b	0.09	-
BTA Consideration Receivable		175.99	175.99
Other current assets	5	0.62	0.56
		223.08	**226.42**
Total Assets		**244.86**	**261.53**
EQUITY and LIABILITIES			
Equity			
Equity share capital	9	70.10	70.10
Other equity	10	149.78	150.60
Total Equity		**219.88**	**220.70**
Liabilities			
Non Current Liabilities			
Financial liabilities			
Lease liabilities	12.a	16.98	30.32
Provisions	15.a	0.24	0.19
		17.22	**30.51**
Current Liabilities			
Financial liabilities			
Trade payables*	11		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.16	1.08
Lease Liabilites	12.b	7.45	9.05
Other Financial liabilities	13	0.01	0.05
Other current liabilities	14	0.07	0.09
Provisions	15.b	0.07	0.06
Current Tax liability	17	-	-
		7.76	**10.33**
Total Equity and Liabilities		**244.86**	**261.53**
Summary of significant accounting policies	2.2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984
Place: Hyderabad
Date : 23/05/2023

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

	Notes	For the Year ended March 31, 2023	For the Year ended March 31, 2022
INCOME			
Revenue from Operations	18	-	70.06
Other Income	19	9.87	8.58
Total Income		**9.87**	**78.64**
EXPENSES			
Purchase of traded goods	20	-	65.29
Cost of materials Consumed	21	-	-
(Increase)/Decrease in inventories of finished goods,work in process	21	-	-
Employee Benefits Expense	22	0.67	0.76
Other Expenses	23	1.43	2.51
Finance Costs	24	3.39	4.81
Depreciation and Amortisation expense	25	4.88	5.87
Total Expenses		**10.37**	**79.24**
Profit/(loss) before tax from countinued operations		(0.50)	(0.60)
Tax Expense	27		
- Current tax		-	0.30
- Deferred tax		0.30	(0.39)
- Taxes of earlier years		0.02	0.79
Total tax expense		**0.32**	**0.70**
Profit/(loss) after tax from continued operations		(0.82)	(1.31)
Profit/(loss) after tax from discountinued operations		-	-
Profit/(loss) after tax from continued & discountinued operations		**(0.82)**	**(1.31)**
OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or (loss):			
Re-measurement gain /(loss) on employee defined benefit plans		-	-
Add: Deferred tax Credit /(Expense)		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		**(0.82)**	**(1.31)**
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2022: Rs. 10/- each fully paid)	26		
Earnings per equity share from continuing operations			
Basic earnings per share (Rs.)		(0.11)	(0.19)
Diluted earnings per share (Rs.)		(0.11)	(0.19)
Earnings per equity share from discontinued operations			
Basic earnings per share (Rs.)		-	-
Diluted earnings per share (Rs.)		-	-
Earnings per equity share from continuing and discontinued operations			
Basic earnings per share (Rs.)		(0.11)	(0.19)
Diluted earnings per share (Rs.)		(0.11)	(0.19)
Summary of Significant Accounting Policies	2.2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Cash flow statement for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	(0.50)	(0.60)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	0.01	0.01
Amortization of right of use asset	4.87	5.86
Provision for gratuity and leave benefits	0.05	0.09
Interest expense	3.39	4.81
Interest income	(0.18)	(0.23)
Loss on sale and discard of fixed assets	-	-
Profit/(loss) on disposal of discountinued operations	-	-
Unrealized Foreign exchange fluctuation loss	-	0.14
Gain on De Recognition of ROU Assets	(2.26)	(0.08)
Liabilities no longer required written back	(0.07)	-
Operating profit before working capital changes	5.31	10.00
Movements in working capital:		
Increase in inventories	-	-
Decrease/(increase) in non-current financial assets	0.33	0.04
Decrease/(increase) in current financial assets	2.00	15.11
Decrease/(increase) in other assets	(0.06)	1.32
Increase/(decrease) in current financial liabilities	(0.89)	(8.34)
Increase/(decrease) in provisions	0.01	(0.00)
Increase in other current liabilities	(0.02)	(1.03)
Cash generated from operations	6.68	17.09
Direct taxes paid (net)	(0.15)	(7.22)
Net cash from operating activities (A)	6.53	9.87
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	-	-
Interest Income received	0.11	0.06
Net cash used in investing activities (B)	0.11	0.06
Cash flows from financing activities		
Repayment of lease liability	(4.65)	(4.34)
Interest paid	(3.39)	(4.81)
Net cash from/(used in) financing activities (C)	(8.04)	(9.15)
Net increase in cash and cash equivalents (A+B+C)	(1.40)	0.78
Net increase in cash and cash equivalents discontinued operations	-	-
Cash and cash equivalents at the beginning of the year	1.85	1.07
Cash and cash equivalents at the end of the year	0.45	1.85
Components of cash and cash equivalents		
Cash on hand	0.01	0.01
Balance with banks in current accounts	0.44	1.84
Total cash and cash equivalents (refer note no.8)	0.45	1.85
Cash and cash equivalents for Cash Flow Statement	0.45	1.85
Summary of significant accounting policies 2.2		

Notes:The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
The accompanying notes are an integral part of these financial statements
As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Statement of Changes in equity for the year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

a. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up		
Balance As at April 01, 2021	Changes in Equity during the year	Balance as at March 31, 2022
70.10	-	70.10
Balance As at April 01, 2022	Changes in Equity during the year	Balance as at March 31, 2023
70.10	-	70.10

b. Other Equity

	Capital contribution for share based payments	Reserves and surplus			Other Comprehensive Income		Total
		Securities Premium	General reserve	Retained Earnings	Not reclassified to Profit & Loss account	Reclassified to Profit & Loss account	
As at April 01, 2021	1.92	-	-	150.94	(0.95)	-	151.90
Share based payments	-	-	-	-	-	-	-
Profit for the year	-	-	-	- 1.31	-	-	(1.31)
Stock option lapsed	(1.92)	-	1.92	-	-	-	-
At March 31, 2022	-	-	**1.92**	**149.63**	**(0.95)**	-	**150.60**
As at April 01, 2022	-	-	1.92	149.63	(0.95)	-	150.60
Share based payments	-	-	-	-	-	-	-
Profit for the year	-	-	-	- 0.82	-	-	(0.82)
At March 31, 2023	-	-	**1.92**	**148.81**	**(0.95)**	-	**149.78**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008063S

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas	**C Bhaskar Reddy**
Director	Director
DIN: 00898824	DIN: 00926550

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

1. Corporate information

MHS Pharmaceuticals Private Limited (the 'Company') was incorporated on June 12, 2008 and is a Company registered under Indian Companies Act, applicable in India. The Company is engaged in the business of distribution of medicines, general items.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements are prepared as per Division II of Schedule III to Companies Act, 2013.

Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting year beginning on or after April 1, 2021. The amendment encompasses significant additional disclosure requirements and includes certain changes to the existing disclosures.The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013 while preparing these Financial Information.

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these standalone financial statements.

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

(i) certain financial assets and financial liabilities that are measured at fair values or at amortised cost depending on the classification at the end of each reporting year,

(ii) employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation as stated in the accounting policies set out below.

Functional Currency and Presentation Currency:

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest rupee millions (Rs.0,00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a. Current and non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

All other assets are classified as non-current.

A liability is classified as current when :

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. **Foreign currencies**

Initial recognition

Transactions in foreign currencies are translated into functional currency of the company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Conversion

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were recognized on initial recognition during the year or in previous financial statements are recognised in the statement of profit and loss in the year in which they arise.

c. **Fair Value Measurement**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned below. 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

The Company's Board of Directors determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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Fair Value Measurement

At each reporting date, the Board of Directors analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Board of Directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Board of Directors, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)

d. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates

Interest income

Interest income from financial instruments measured either at amortised cost or at fair value through other comprehensive income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Rental Income

Rental Income is accounted on accrual basis

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the income tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management yearically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income tax Act, 1961.

Deferred tax liabilities are generally recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction(other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax liabilities are not recognized. Also, for temporary differences if any that may arise from initial recognition of goodwill, deferred tax liabilities are not recognized.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

the entity recognizes a deferred tax asset arising from unused tax losses only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses can be utilized by the entity

'Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards, if any

f. **Property, Plant and Equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

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 entity and the cost can be measured reliably.

Depreciation

Depreciation on property, plant and equipment is calculated on a straight-line basis using the following rates arrived at based on the useful lives estimated by the management which coincide with the lives prescribed under the schedule II to the Companies Act, 2013, except for depreciation on Leasehold Improvements:

Asset class	Useful lives estimated by the management (years)
Furniture and fixtures	10
Electrical equipment	10
Vehicles	10
Office Equipment	05
Data Processing Equipment	3-6
Plant and equipment	15
Right of Use Asset	Based on lease term

Depreciation on leasehold improvements is provided over the lease term or 5 years, whichever is shorter, which is higher than the rates prescribed under the schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. **Intangible assets**

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Amortization

Intangible assets of the Company represents having finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on these intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

h. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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i. **Leases**

Adoption of Ind AS 116 Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, resentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting year beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). The cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, or changed, on or after 1 April 2019. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is yearically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate(group rate). The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

j. **Inventories**

Inventories comprise of traded goods and stores and spares and are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business reduced by the estimated costs to affect the sale. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

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k. Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

l. Provisions and contingent liabilities

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

m. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises the contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset.

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Defined benefit plans

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under the plan are determined on the basis of actuarial valuation at each year-end using the projected unit credit method consistent with the advice of qualified actuaries.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Other Short term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Employee share based payments

Employees of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Where the share based payment is settled by Holding Company on behalf of this company then the cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year 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 year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

n. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are adjusted to fair value at initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive Cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it valuates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial assets that are debt instruments and are measured as at FVTOCI

In case of trade receivables , the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade, other payables and lease liabilities

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as fair value through profit and loss.

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Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company senior management determines change in the business model as a result of external or internal changes which are significant to the Company operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

In case of Discontinued operations Earnings per share will be presented separately for continued operations and discontinued operations

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

q. **Cash flow statement**

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'

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r. **Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting year, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

s. **Discontinued operations**

A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) represents a separate major line of business or geographical area of operations,

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

(c) is a subsidiary acquired exclusively with a view to resale.

The Company will present:

(a) a single amount in the statement of profit and loss comprising the total of:

(i) the post-tax profit or loss of discontinued operations and

(ii) the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

An analysis of statement of profit and loss of discontinued operations will be presented separately in the notes to accounts

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

MHS Pharmaceuticals Private Limited
CIN - U24233TG2008PTC059624
Notes to financial statements for the Year ended March 31, 2023
(All amounts in Indian Rupees in millions except as otherwise stated)

3. Property, plant and equipment	Plant and equipment	Total tangible assets
Gross carrying value		
As at April 1, 2021	0.03	0.03
Additions	-	-
Disposals	-	-
Transfer on account of BTA	-	-
As at March 31, 2022	0.03	0.03
Additions	-	-
Disposals	-	-
Transfer on account of BTA	-	-
As at March 31, 2023	0.03	0.03
Depreciation		
As at April 1, 2021	-	-
Charge for the year	0.01	0.01
Disposals	-	-
As at March 31, 2022	0.01	0.01
Charge for the period	0.01	0.01
Disposals	-	-
As at March 31, 2023	0.02	0.02
Net Block		
As at March 31, 2022	0.02	0.02
As at March 31, 2023	0.01	0.01

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

9 Equity share capital

	March 31, 2023	March 31, 2022
Authorised shares (No.s)		
70,10,000 Nos (March 31,2022:70,10,000 Nos) equity shares of Rs.10/- each	70.10	70.10
Issued, subscribed and fully paid up shares (No.s)		
70,10,000 Nos (March 31,2022:70,10,000 Nos) equity shares of Rs.10/- each	70.10	70.10

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2023		March 31, 2022	
	No. of shares	Rs.	No. of shares	Rs.
At the beginning of the	70,10,000	70.10	70,10,000	70.10
Issued during the year	-	-	-	-
Outstanding at the end of the year	70,10,000	70.10	70,10,000	70.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company are as below:

	March 31, 2023	March 31, 2022
MedPlus Health Services Private Limited, the holding company		
70,10,000 (March 31,2022: 70,10,000) equity shares of Rs. 10 each fully paid	70.10	70.10

(d) Details of shareholders holding more than 5% shares in the Company

	March 31, 2023		March 31, 2022	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10/- each fully paid up				
MedPlus Health Services Private Limited, the holding company	70,10,000	100%	70,10,000	100%

*Out of the above 70,10,000 equity shares two shares held in the name of R P Srinivas, beneficial Owner for the same is MedPlus Health Services Limited, the holding company

As per records of the Company, including its register of shareholders / members, the above shareholding represents the legal and beneficial ownership of shares.

(e) Shares held by Promoters

March 31, 2023

Sl No	Promoters Name	No. of shares	% of total shares	%of change
1	MedPlus Health Services Limited	70,10,000	100%	-
	Total	**70,10,000**	**100%**	-

March 31, 2022

Sl No	Promoters Name	No. of shares	% of total shares	%of change
1	MedPlus Health Services Limited	70,10,000	100%	-
	Total	**70,10,000**	**100%**	-

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

4 Other financial assets

	March 31,2023	March 31,2022
Non-Current		
Deposits		
Unsecured, considered good		
Security Deposits	2.38	2.64
	2.38	**2.64**
Doubtful		
Security Deposits	0.66	0.66
Provision for Doubtful Advances	(0.66)	(0.66)
	-	-
	2.38	**2.64**
b.Current		
Accured Income	0.09	-
	0.09	**-**

5 Other assets

Current	March 31,2023	March 31,2022
Other Advance recoverables from creditors	0.05	0.09
GST Receivable	0.57	0.47
	0.62	**0.56**

6 Non-Current Tax Assets

	March 31,2023	March 31,2022
Advance income tax (including TDS receivable)	0.72	0.59
	0.72	**0.59**

7 Trade receivables

	March 31,2023	March 31,2022
Current		
Unsecured, considered good		
Receivable from relatedparties	45.93	48.02
Receivable from Others	-	-
Total	**45.93**	**48.02**

Refer note:29 ageing Schedule

8 Cash and cash equivalents

	March 31,2023	March 31,2022
Cash and cash equivalents		
Balances with banks		
- On current accounts	0.44	1.84
Cash on Hand	0.01	0.01
Deposits with remaining maturity for less than 12 months	-	-
Total	**0.45**	**1.85**

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

10 Other Equity

	March 31,2023	March 31,2022
Share based payments		
Opening balance	-	1.92
Add: Stock option granted	-	-
Less: Stock option expenses	-	(1.92)
Less: Options lapsed transfer to general reserve	-	-
Closing balance	-	-
General reserve		
Opening balance	1.92	-
Add: transfer from sharebased payments	-	1.92
Closing balance	**1.92**	**1.92**
Retained Earnings		
Balance as per last financial statements	149.63	150.94
Profit/Loss for the year	(0.82)	(1.31)
	148.81	**149.63**
Other comprehensive income		
Balance as per last financial statements	(0.95)	(0.95)
Other comprehensive income for the year	-	-
Closing balance	**(0.95)**	**(0.95)**
Total Other equity	**149.78**	**150.60**

11 Trade Payables

	March 31,2023	March 31,2022
Payable to others		
Total outstanding dues of micro enterprises and small enterprises (refer note:34)	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	0.15	0.99
Payable to Related Parties	-	0.09
Refer note:29 ageing Schedule		
Subtotal	0.15	1.08
Total	**0.15**	**1.08**

12 Lease Liabilities

	March 31,2023	March 31,2022
a.Non-current		
Long term Lease Liability	16.98	30.32
	16.98	**30.32**
b.Current		
Short term Lease Liability	7.45	9.05
	7.45	**9.05**

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

13 Other Financial Liabilities

	March 31,2023	March 31,2022
Payables for salaries, wages and bonus	0.01	0.02
Other payables	-	0.03
	0.01	**0.05**

14 Other Current Liabilities

	March 31,2023	March 31,2022
Statutory liabilities	0.07	0.09
	0.07	**0.09**

15 Provisions

a. Non- Current

	March 31,2023	March 31,2022
Provision for gratuity	0.24	0.19
	0.24	**0.19**

b. Current

	March 31,2023	March 31,2022
Provision for gratuity	-	-
Provision for leave benefits	0.07	0.06
	0.07	**0.06**

16 Deferred tax Asset/ Liability

	March 31,2023	March 31,2022
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	-
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.07	0.05
Others	2.53	2.85
	2.60	2.90

17 Current tax liabilities

	March 31,2023	March 31,2022
Provision for Tax	-	-
	-	-

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

18. Revenue from Operations	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sale of traded goods	-	70.06
Total	**-**	**70.06**

19. Other income	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest income on		
Bank deposits	-	0.06
Others	0.18	0.17
Rent Income	7.17	8.27
Liabilities no longer required written back	0.07	-
Gain on De Recognition of ROU Assets	2.45	0.08
Miscellaneous Income	-	-
Total	**9.87**	**8.58**

20. Purchase of traded goods	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Traded goods		
Purchases	-	65.29
Add: Carriage inwards	-	-
	-	**65.29**

21. (Increase)/Decrease in inventories of finished goods,work in process and traded goods	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Inventories at the beginning of the year		
Traded goods	-	-
Total	-	-
Less : Inventories at the end of the year		
Traded goods	-	-
Total	-	-
(Increase)/Decrease in inventories	**-**	**-**

22. Employee benefits expense	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries, wages and bonus	0.59	0.55
Contribution to provident fund & other funds	0.03	0.03
Gratuity expense	0.05	0.08
Staff welfare expenses	-	0.10
	0.67	**0.76**

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

23. Other expenses

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Lease rent	0.24	0.27
Rates and taxes	0.01	0.04
Electricity charges	-	(0.01)
Communication	0.02	0.07
Travelling and conveyance	-	-
Printing and stationary	-	-
Legal and professional charges	0.27	0.41
Payment to auditors (refer details below)	0.08	0.27
Insurance	-	0.06
Repairs and maintenance	0.05	0.22
Bank charges	0.02	0.09
Foreign exchange fluctuation loss (net)	-	0.14
Corporate Social Responsibility Expense	0.74	0.95
Miscellaneous expenses	-	-
	1.43	**2.51**

Payment to auditor

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
As auditors:		
Audit fee	0.08	0.10
Other Audit fee	-	0.08
Certification Fee	-	0.10
	0.08	**0.27**

24. Finance costs

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest on lease liability	3.39	4.81
	3.39	**4.81**

25. Depreciation and amortization expense

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation of Property Plant and Equipment	0.01	0.01
Amortization of right of use asset	4.87	5.86
	4.88	**5.87**

FOR

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MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

26. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Profit/(Loss) countinued operations attributable to equity holders of the Company for basic and diluted earnings per share	(0.82)	(1.31)
Profit/(Loss) discountinued operations attributable to equity holders of the Company for basic and diluted earnings per share	-	-
Profit/(Loss) countinued and discountinued operations attributable to equity holders of the Company for basic and diluted earnings per share	(0.82)	(1.31)
Weighted average number of equity shares in computing basic and diluted EPS	70,10,000	70,10,000
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
Earnings per equity share from continuing operations		
- Basic (Rs.)	(0.11)	(0.19)
- Diluted (Rs.)	(0.11)	(0.19)
Earnings per equity share from discontinued operations		
- Basic (Rs.)	-	-
- Diluted (Rs.)	-	-
Earnings per equity share from continuing and discontinued operations		
- Basic (Rs.)	(0.11)	(0.19)
- Diluted (Rs.)	(0.11)	(0.19)

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

27. Taxes Continued operations

(a) The major components of income tax expenses from Continued operations for the year ended March 31, 2023 and for the year ended March 31, 2022 are:

(i) Profit or loss section

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax :		
Current income tax charge	-	0.30
Interest on income tax	-	-
Adjustment of current income tax relating to earlier years	0.02	0.79
Deferred tax		
Relating to origination and reversal of temporary differences	0.30	(0.39)
Total income tax expense recognised in statement of Profit & Loss	**0.32**	**0.70**

(ii) OCI Section Continued operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax		
Net gain on remeasurement of defined benefit plans	-	-
Income tax charged to OCI	-	-

(b) Reconciliation of tax expense and the accounting profit from Continued operations multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2023:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax	(0.50)	(0.60)
Enacted tax rate in India	25.17%	25.17%
Expected tax expenses	(0.13)	(0.15)
Tax effect on non-deductible expenses	0.01	(0.11)
Tax effect on Depreciation expense	-	-
Tax effect on Ind AS 116	0.05	0.38
Tax effect on Permanent difference	0.07	0.18
Total Tax expense (C+D)	**0.00**	**0.30**
Effect of Deferred tax	0.30	(0.39)
Adjustments in respect of current income tax of previous year	0.02	0.79
Adjustments in respect of interest on income tax for current year	-	-
Total	**0.32**	**0.70**
Tax expense as per Statement of Profit and Loss Account ((a)(i))	**0.32**	**0.70**

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MHS PHARMACEUTICALS PVT. LTD. * HYDERABAD

(c) The major components of deferred tax (liabilities)/assets arising on account of timing differences from Continued operations are as follows:

As at March 31, 2023	Balance Sheet March 31, 2022	Profit and Loss 2022-23	OCI 2022-23	Balance Sheet March 31, 2023
Deferred tax asset				
property, plant and equipment as per books of accounts and as per Income Tax Act, 1961	(0.00)	(0.00)	-	0.00
Provision for expenses allowed for tax purpose on payment basis	0.05	(0.02)	-	0.07
Remeasurement benefit of the defined benefit plans through OCI	0.04	-	-	0.04
IND AS 116: Leases	2.64	0.31	-	2.32
Others	0.17	0.00	-	0.17
Deferred tax benefit/(expense)		0.30	-	
Deferred tax asset	2.90			2.60

d) The major components of deferred tax (liabilities)/assets arising on account of timing differences from Continued operations

As at March 31, 2022	Balance Sheet March 31, 2021	*Profit and Loss 2021-22	OCI* 2021-22	Balance Sheet March 31, 2022
Deferred tax asset				
Difference between depreciation on property, plant and equipment as per books of accounts and as per Income Tax Act, 1961	0.00	0.00	-	(0.00)
Provision for expenses allowed for tax purpose on payment basis	0.03	(0.02)	-	0.05
Remeasurement benefit of the defined benefit plans through OCI	0.04	0.00	0.00	0.04
IND AS 116: Leases	2.25	(0.38)	-	2.64
Others	0.19	0.01	-	0.17
Deferred tax benefit/(expense)		(0.39)	0.00	
Deferred tax asset	2.51			2.90

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

28 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	March 31,2023	March 31,2022
Current Assets	223.08	226.42
Current Liabilities	7.76	10.33
Ratio (times)	28.75	21.93
% Change from previous year	31.10%	

Reason for change more than 25%:

This ratio has increased from 21.93 in March 2022 to 28.75 in March 2023 mainly due to decrease in current liabilities

b) Debt Equity ratio - Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

*Company does not have any debt as on March 31,2022 and March 31,2023. Hence this ratio not applicable

Note: Lease liabilities are not considered as debt for this ratio calculation

c) Debt Service Coverage Raüo = Earnings available for debt services divided by Total interest and principal repayments

*Company does not have any debt as on March 31,2022 and March 31,2023. Hence this ratio not applicable

Note: Lease liabilities are not considered as debt for this ratio calculation

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Average Equity

Particulars	March 31,2023	March 31,2022
Net profit after tax	(0.82)	(1.31)
Average Equity	220.29	221.35
Ratio (percentage)	-0.37%	-0.59%
% Change from previous year	-37.24%	

Average equity means Average of Equity as on beginning and end of year

Reason for change more than 25%:

This ratio has increased from -0.59% in March 2022 to 0.37% in March 2023 mainly due to decrease in loss.

e) Inventory Turnover Ratio = Cost of materials consumed divided by Average inventory

Particulars	March 31,2023	March 31,2022
Cost of materials consumed	-	65.29
Average Inventory	-	-
Inventory Turnover Ratio (times)		
% Change from previous year	N/A	

Average inventory means Average of inventory as on beginning and end of the year

f) Trade Receivables turnover ratio = Revenue from operations divided by Average trade receivables

Particulars	March 31,2023	March 31,2022
Revenue from operations	-	70.06
Average Trade Receivables	46.98	48.82
Ratio (times)	-	1.43
% Change from previous year	-100.00%	

Average Trade receivables means Average of Trade receivables as on beginning and end of the year

Reason for change more than 25%:

This ratio has decreased from 1.43 in March 2022 to 0.00 in March 2023 mainly due to no revenue in current year.

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

g) Trade payables turnover ratio - Purchases divided by Average trade payables

Particulars	March 31,2023	March 31,2022
Purchases	-	65.29
Average Trade Payables	4.73	5.19
Ratio (times)	-	12.57
% Change from previous year	-100.00%	

Average Trade payables means Average of Trade payables as on beginning and end of the year

Reason for change more than 25%:

This ratio has decreased from 12.57 in March 2022 to 0.00 in March 2023 mainly due to no purchases during the year.

h) Net capital Turnover Ratio = Revenue from operations divided by Net working capital whereas Net working capital= Current assets-Current liabilities

Particulars	March 31,2023	March 31,2022
Revenue from operations	-	70.06
Net working capital	215.32	216.09
Ratio (times)	-	0.32
% Change from previous year	-100.00%	

Reason for change more than 25%:

This ratio has decreased from 0.32 in March 2022 to 0.00 in March 2023 mainly due to no revenue in current year.

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	March 31,2023	March 31,2022
Net profit after tax	(0.82)	(1.31)
Sales	-	70.06
Ratio (percentage)	N/A	-1.87%
% Change from previous year	N/A	

j) Return on Capital employed (pre cash)=Earnings before interest and taxes (EBIT) divided by Capital Emplo

Particulars	March 31,2023	March 31,2022
Porfit before tax (A)	(0.50)	(0.60)
Finance Costs (B)	-	-
EBIT (C) =(A)+(B)	**(0.50)**	**(0.60)**
Capital Employed (Pre Cash) (H)=(D)+(E)-(F)-(G)	**219.88**	**220.70**
Debt (D)	0.00	0.00
Equity (E)	219.88	220.70
Goodwill (F)	0.00	0.00
Other intangible assets (G)	0.00	0.00
Ratio (C)/(H) (percentage)	-0.23%	-0.27%
% Change from previous year	-16.54%	

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

29 Trade Receivable Ageing Schedule:

As at March 31,2023

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed Trade receivables-Considered good	-	1.35	-	44.58	-	-	45.93
(ii) Undisputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
Total	-	1.35	-	44.58	-	-	45.93

As at March 31,2022

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed Trade receivables-Considered good	-	-	48.02	-	-	-	48.02
(ii) Undisputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables -Significant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
Total	-	-	48.02	-	-	-	48.02

Trade payables ageing schedule:

As at March 31,2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i)MSME	-	-	-	-	-	-
(ii)Others	0.08	0.07	0.00	-	-	0.16
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	0.08	0.07	0.00	-	-	0.16

As at March 31,2022

Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
(i)MSME	-	-	-	-	-	-
(ii)Others	0.18	0.90	0.01	-	-	1.08
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	0.18	0.90	0.01	-	-	1.08

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

30. Significant accounting, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

-Note 2.2k -Impairment of non-financial assets
-Note 2.2m -Defined benefit plans
-Note 2.2c -Fair value measurement of financial instruments
-Note 2.2n -Impairment of financial assets
-Note 2.2j -Inventories
-Note 2.2i -leases
-Note 2.2e -Valuation of deferred tax assets and liabilities

31. Employee benefits

I. Post Employment Benefits

A. Defined Benefits Plan - Gratuity

Company has a defined benefit plan which provides for gratuity payments for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days salary (based on last drawn basic salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The components of gratuity cost recognised in the statement of profit and loss for the years ended March 31, 2023 and March 31, 2022 consist of the following:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Changes in the present value of defined benefit obligations are as follows:		
Defined benefit obligations at the beginning of the year	0.29	0.20
Current service cost	0.06	0.09
Past service cost		
Interest on defined obligations	-	-
Benefits paid	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)		
Re-measurements due to:		
Remeasurements- due to change in assumptions	-	-
Actuarial (gain)/loss due to demographic assumptions		
Remeasurements- due to experience adjustment	-	-
Defined benefit obligations at the end of the year	**0.35**	**0.29**
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	0.11	0.10
Employer contributions	0.00	0.00
Interest on plan assets	0.01	0.01
Benefits paid	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase/(Decrease) due to plan combination		
Remeasurements-return on plan assets	-	-
Plan assets at the end of the year	**0.11**	**0.11**
Amount to be recognised in Statement of Profit and Loss:		
Current service cost	0.06	0.09
Past service cost	-	-
Interest on net defined benefit liability, net	-	-
Excepted return on plan assets	(0.01)	(0.01)
Net actuarial gain/(loss) to be recognised		
Gratuity cost recognised in statement of profit and loss	**0.05**	**0.08**
Remeasurement on the net defined benefit liability:		
Remeasurements- due to change in assumptions	-	-
Remeasurements- due to experience adjustment	-	-
Remeasurements-return on plan assets	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

Details of the employee benefits obligations and plan assets are provided below:		
Present value of funded obligations	0.35	0.29
Fair value of plan assets	(0.11)	(0.11)
Net defined benefit liability recognised	0.24	0.19

B. Defined Contribution Plan

a. Provident fund & Other benefits

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year aggregated to Rs. 0.03 millions (March 31, 2022: Rs.0.03 millions) and is included in "contribution to provident and other funds".

II. Leave Encashment

The employees of the Company are entitled to leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leaves is recognized in the year in which the absences occur.

32. Employee stock option plan

The Holding Company (MedPlus Health Services Private Limited) instituted MedPlus Employees Stock Option and Shares Plan 2009 (ESOP 2009). The Board of directors of holding company approved the plan on November 16, 2009. The plan is effective from November 1, 2009 which provided for issue of 9,673 stock options to eligible employees of the group companies. The options vest over a year of four years or as approved by remuneration committee and would be settled by issue of fully paid equity shares.

The Holding Company has granted 25 shares to the employees of the company

The Company has recognised the cost of options granted, as equity settled share based payments scheme in accordance with Ind AS 102 - Share based payments, and the Company share of the cost of fair value of the options has been accounted based on the advice by Holding Company.

The holding company revised Exercise price per share from Rs.43,562 to Rs.10. The effect on revised exercise price charged to Profit and loss account

In accordance with Ind AS 102, the Company has recognised an amount of Rs.Nil (March 31, 2022: Nil) by way of share based payments. Such charge has been recognised as employee benefits expense with corresponding credit to share based payments reserve.

During the previous year, employee to whom ESOPS are alloted by the Parent of Holding company exercised the option and ESOPS reserve amount transferred to general reserve.

33. Capital and other commitments

A. Capital Commitments

As at March 31, 2023 the company has commitments of Nil (March 31, 2022 :Rs.Nil) relating to contracts remaining to be executed on capital account

34. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	March 31,2023	March 31,2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purposes of disallowances as a deductible expenditure under the MSM	-	-

Note : This information is required to be disclosed under the MSMED Act and has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

35. Related party Disclosure

(a) Names of related parties and related party relationship

Parent of Holding Company & Ultimate Holding Company : MedPlus Health Services Limited (Formerly known as Medplus Health Services Private Limited into MedPlus Health Services Limited w.e.f June 28, 2021)

(ii) Fellow subsidiaries

1. Sai Sridhar Pharma Private Limited
2. Venkata Krishna Enterprises Private Limited
3. Deccan Medisales Private Limited
4. Shri Banashankari Pharma Private Limited
5. Sidson Pharma Distributors Private Limited
6. Optival Health Solutions Private Limited
7. Nova Sud Pharmaceuticals Private Limited (Formerly known as Panindia Pharma Distributors Private Limited)
8. Wynclark Pharmaceuticals Private Limited (Formerly known as Medsupply Distributors Private Limited)
9. Kalyani Meditimes Private Limited
10. ClearanceKart Private Limited (w.e.f March 09, 2021)
11. MedPlus Insurance Brokers Private Limited (w.e.f July 14, 2022)

iii) Key management personnel

C. Bhaskar Reddy-Director
P. Srinivas-Director
B. Prasad Reddy-Director (with effect from September 29, 2021)

(b) Related party transactions during the year ended

	March 31,2023	March 31,2022
(i) Related parties where control exists		
1. MedPlus Health Services Limited		
Management services received	-	0.08
Rent expense	-	-
Sale of traded goods	-	-
Rent Income	7.17	8.27
Sale of Asset	-	-
Employees Stock Option Outstanding	-	-
Business Transfer	-	-
Reimbursement by Medplus	0.17	0.81
(ii) Fellow Subsidiaries		
1. Optival Health Solutions Private Limited		
Sale of traded goods	-	70.06
Sale of maintenance Items	-	-
Rent expense	0.24	0.26

(c) Balances outstanding as at debit/(credit)

	March 31,2023	March 31,2022
(i) Related parties where control exists		
MedPlus Health Services Limited		
Rent	1.36	(0.09)
Business Transfer agreement receivable	175.99	175.99
(ii) Fellow Subsidiaries		
1. Optival Health Solutions Private Limited	44.57	48.02

36. Fair Values

Refer Note 2.2 (n) for accounting policy on Financial Instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value		Fair value	
	March 31,2023	March 31,2022	March 31,2023	March 31,2022
Financial assets				
Financial assets at amortised cost:				
a) Trade receivable	45.93	48.02	45.93	48.02
b) Cash and cash equivalents	0.45	1.85	0.45	1.85
c) Other Financial Assets	2.47	2.64	2.47	2.64
Total Financial assets	48.85	52.51	48.85	52.51
Financial liabilities				
Financial liabilities at amortised cost:				
Non-Current Financial liabilities				
a) Other Financial Liabilities	16.98	30.32	16.98	30.32
Current Financial liabilities				
a) Trade payables	0.16	1.08	0.16	1.08
b) Other Financial Liabilities	7.46	9.10	7.46	9.10
Total Financial Liabilities	24.60	40.50	24.60	40.50

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

37. Fair value hierarchy

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

38. Financial risk management

The Company's principal financial liabilities comprise lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include lease rental deposits, trade receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed primarily to Credit Risk, Liquidity Risk and Market risk (interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the credit, interest rate, liquidity and other market changes.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Trade and other receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company' receivables turnover is quick and historically, there was no significant defaults on account of those customer in the past. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on yearic basis. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 45.93 millions and Rs. 48.02 millions as of March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of balances with trade receivables.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Less than 180 Days	>180 Days	Total
As at March 31,2023	1.35	44.58	45.93
As at March 31,2022	48.02	-	48.02

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, support from group companies by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31,2023:				
Borrowings	-	-	-	-
Trade payables	0.16	-	-	0.16
Lease liabilities	7.45	16.98	-	24.43
Other Financial liabilities	0.01	-	-	0.01
	7.62	**16.98**	**-**	**24.60**

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
March 31, 2022:				
Borrowings	-	-	-	-
Trade payables	1.08	-	-	1.08
Lease liabilities	9.05	29.80	0.52	39.37
Other Financial liabilities	0.05	-	-	0.05
	10.18	**29.80**	**0.52**	**40.50**

39. Leases

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the rightof-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on whichit 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

Class :Building

a	Movement of Right to Use [RoU] asset	March 31,2023	March 31,2022
	Opening Balance	28.96	35.42
	Add:Additions to ROU	-	-
	Less:Deletions to ROU	8.03	0.59
	Less: Depreciation Charge for the year	4.87	5.86
	Carrying amount of ROU asset at year end	16.07	28.96

b. Lease payments during the year have been disclosed under financing activities in the Statement of Cash flows.

c. The aggregate amount of lease payments under short term leases recognized in the statement of profit and loss is Rs.0.24millions (March 31,2022 Rs.0.27 millions)

40. Details of CSR expenditure

	March 31,2023	March 31,2022
(i) Amount required to be spent by the Company during the year	0.74	0.95
(ii) Amount of expenditure incurred during the year	-	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.74	0.95
(iii) Shortfall at the end of the year	-	-
(iv) Total of Previous year shortfall	-	-
(v) reason for shortfall	-	-
(vi) Nature of CSR activities		
a) Contribution to Prime Minister's National Relief Fund	0.00	0.25
b) Health Care	0.74	0.70
(vii) Details of related party transactions	-	-
(viii) Details of CSR Provision	-	-
Opening Balance	-	-
Less: Amount spent	-	-
Closing balance	-	-

41. Other Disclosures:

Disclosure of Struck off Companies

(i) On the basis of information available with company, following are the details of transactions entered into by the company with the companies struck off under section 248 of the Companies Act 2013:

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at March 31, 2023	Balance outstanding as at March 31, 2022
Nil			

(ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

GPHK & ASSOCIATES Chartered Accountants HYDERABAD

MHS PHARMACEUTICALS PVT. LTD. HYDERABAD

42. Previous year figures have been regrouped / reclassified, where necessary, to confirm to current year's classification

43. During the year, Board of Directors in a meeting held on January 09, 2023 approved the scheme of Merger between the Company and holding company i.e.MedPlus Health Services Limited pursuant to provisions of section 230 to Section 232 and Other applicable provisions of companies act, 2013 related rules, regulations, Memorandum of Association and Articles of Association. Pending approval from authorities no adjustment were made to financial statements.

As per our report of even date

For GPHK & ASSOCIATES
Chartered Accountants
Firm Registration No. 008053S

K Naveen Kumar
Partner
Membership No: 216984

Place: Hyderabad
Date : 23/05/2023

For and on behalf of the Board of Directors of
MHS Pharmaceuticals Private Limited

P Srinivas
Director
DIN: 00898824

C Bhaskar Reddy
Director
DIN: 00926550

MHS Pharmaceuticals Private Limited
Unaudited Balance sheet as at June 30, 2023
(All amounts in Indian Rupees except as otherwise stated)

	Notes	As at June 30, 2023	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	2	12,873	14,250.00
Right-of-use assets		1,49,31,983	1,60,65,731
Financial assets			
Other financial assets	4	24,24,585	23,84,696
Other assets	5	-	-
Non-current tax assets	6	8,96,706	7,16,145
Deferred tax assets	16	26,03,556	26,03,556
		2,08,69,703	**2,17,84,378**
Current assets			
Financial assets			
Trade receivables	7	4,31,66,786	4,59,25,202
Cash and bank balances	8	25,44,241	4,56,959
Other financial assets	4	-	91,468
BTA Consideration Receivable		17,59,90,001	17,59,90,001
Other Current assets	5	6,39,886	6,23,695
		22,23,40,914	**22,30,87,325**
TOTAL		**24,32,10,617**	**24,48,71,703**
Equity and liabilities			
Equity			
Equity Share capital	9	7,01,00,000	7,01,00,000
Other Equity	10	14,94,25,681	14,98,11,554
		21,95,25,681	**21,99,11,554**
Non-current liabilities			
Financial Liabilities			
Lease Liability	14	1,57,47,463	1,69,76,941
Provisions	11	2,39,904	2,39,904
		1,59,87,367	**1,72,16,845**
Current liabilities			
Financial Liabilities			
Trade payables	12	1,08,257	1,46,826
Other current financial liabilities	13	12,122	12,122
Lease Liability	14	74,45,314	74,45,314
Other current liabilities	15	78,642	73,196
Provisions	11	53,234	65,845
		76,97,569	**77,43,303**
TOTAL		**24,32,10,617**	**24,48,71,702**

For MHS Pharmaceuticals Private Limited

Sd/-

P Srinivas
Director
DIN: 00898824

MHS Pharmaceuticals Private Limited

Unaudited Statement of profit and loss for the Period June 30, 2023

(All amounts in Indian Rupees except as otherwise stated)

	Notes	For year End June 30, 2023	For year End March 31, 2023
Income			
Revenue from operations	17	-	-
Other income	18	17,54,002	98,76,807
Total revenue		**17,54,002**	**98,76,807**
Expenses			
Employee benefit expenses	19	1,57,245	6,69,678
Other expenses	20	1,57,073	14,21,919
Finance costs	21	6,90,432	33,94,806
Depreciation and amortization expense	22	11,35,125	48,73,268
Total		**21,39,875**	**1,03,59,671**
Profit before tax		**(3,85,873)**	**(4,82,864)**
Tax expenses			
Current Tax		-	-
Deferred Tax*		-	2,95,792
Income Taxes of Earlier Years		-	15,078
Tax expenses		**-**	**3,10,870**
Profit for the year		**(3,85,873)**	**(7,93,734)**
OTHER COMPREHENSIVE INCOME (OCI)			
Re-measurement gain /(loss) on employee defined benefit plans			
Add: Deferred tax Credit /(Expense)			
Other comprehensive income for the year, net of tax		**-**	**-**

For MHS Pharmaceuticals Private Limited

Sd/-

P Srinivas

Director

DIN: 00898824

	Particulars	As at June 30, 2023	As at March 31, 2023
4	**Other financial assets**		
a.	Non-current		
	Deposits		
	Unsecured, considered good	24,24,585	23,84,696
	Doubtful	6,60,000	6,60,000
	Less: Provision for doubtful advances	(6,60,000)	(6,60,000)
		24,24,585	23,84,696
b.	Current		
	Other financial assets	-	91,468
	Receivable from related parties	-	-
		-	91,468
5	**Other Assets**		
a.	Non- Current		
	Capital advances		
	Unsecured, considered good	-	-
	Loan given to others	-	-
		-	-
b.	Current		
	Other Advance recoverables fromm creditors	57,930	51,455
	Prepaid expenses	-	-
	GST Receivable	5,81,956	5,72,240
		6,39,886	6,23,695
6	**Non- Current tax assets**		
	Advance tax (net)	8,96,706	7,16,145
		8,96,706	7,16,145

MHS Pharmaceuticals Private Limited
Notes to financial statements for the Period ended June 30, 2023

	Particulars	As at June 30, 2023	As at March 31, 2023
7	**Trade receivables (Current)**		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	-	-
	Other receivables		
	Receivable from Related parties	4,31,66,786	4,59,25,202
	Receivable from Others	-	-
		4,31,66,786	4,59,25,202
8	**Cash and bank balances (Current)**		
	Balances with banks in current accounts	25,32,789	4,44,907
	Balances with banks in Fixed Deposits	-	-
	Cash on hand	11,452	12,052
		25,44,241	4,56,959
9	Share capital		
	Authorised shares (Nos):		
	10,000 (March 31, 2013: 10,000) equity shares of Rs.10/- each	7,01,00,000	7,01,00,000
	Issued, subscribed and fully paid up shares (Nos):		
	10,000 (March 31, 2013: 10,000) equity shares of Rs.10/- each	7,01,00,000	7,01,00,000
	Total issued, subscribed and fully paid-up share capital	7,01,00,000	7,01,00,000
10	**Other Equity**		
	General reserve	19,20,834	19,20,834
	Reserves and surplus		
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	14,78,90,720	14,86,84,454
	Loss on transfer of business		-
	Profit/Loss for the year	(12,32,673)	(7,93,734)
	Other comprehensive income for the year	-	-
	Net surplus in the statement of profit and loss	14,66,58,047	14,78,90,720
	Total other equity	**14,85,78,881**	**14,98,11,554**

	Particulars	As at June 30, 2023	As at March 31, 2023
11	**Provisions**		
	Non-Current	-	
	Provision for gratuity	2,39,904	2,39,904
		2,39,904	2,39,904
	Current		
	Provision for gratuity	-	-
	Provision for leave benefits	53,234	65,845
		53,234	65,845
12	**Trade payables**		
	Creditors for Purchase	84,408	64,728
	Provision for expenses	23,848	82,098
	Payable to Related parties	-	-
	Payable for rent, electricity and others	-	-
		1,08,256	**1,46,826**
13	**Other financial liabilities**		
	Current		
	Payables for salaries, wages and bonus	12,122	12,122
	Payable for capital goods	-	-
		12,122	**12,122**
14	**Lease Liabilities**		
	Lease liabilities-long term	1,57,47,463	1,69,76,941
	Lease liabilities- short term	74,45,314	74,45,314
		2,31,92,777	**2,44,22,255**
15	**Others liabilities**		
	Current		
	Statutory liabilities	78,642	73,196
	Current maturities of long-term borrowingS	-	-
		78,642	**73,196**
16	**Deffered tax**		
	Deferred tax assets	26,03,556	26,03,556
	Deferred tax Liabilities	-	-
		-	**26,03,556**

	Particulars	As at June 30, 2023	As at March 31, 2023
17	**Revenue from operations**		
	Sale of traded goods	-	-
		-	-
18	**Other income**		
	Interest income on bank deposits	-	-
	Interest income on others	39,889	1,81,912
	Rent income	17,14,113	71,70,592
	Liabilities no longer required written back		74,379
	Gain on De Recognition of ROU Assets	-	24,49,924
		17,54,002	98,76,807
19	**Employee benefits expense**		
	Salaries, wages and bonus	1,50,120	5,85,362
	Contribution to provident and other funds	7,125	28,500
	Gratuity expense (refer note no.27)	-	54,336
	Staff welfare expenses	-	1,480
		1,57,245	6,69,678