

**NOTICE**

SHORTER NOTICE is hereby given that the **4<sup>TH</sup> ANNUAL GENERAL MEETING** of the members of Entero Healthcare Solutions Private Limited will be held at 605/606, 6th Floor, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai 400051 on Saturday, the 31<sup>st</sup> day of December 2022, at 5:00 p.m. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statement for the financial year ended 31st March, 2022, along with the reports of the Board and Auditor thereon.

By Order of the Board of Directors  
For **Entero Healthcare Solutions Private Limited**

Sd/-  
Jayant Prakash  
**General Counsel and Company Secretary**  
(Mem: F6742)  
Date: December 22, 2022  
Address: 605 & 606, 6th Floor, Trade Centre,  
Bandra Kurla Complex, Bandra East, Mumbai – 400051.

**NOTES: -**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2) Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the company not less than forty-eight hours before the time fixed for the Meeting.
- 3) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours (between 10:00 A.M. and 5:30 P.M.) of the Company, provide that not less than three days of notice in writing is given to the Company.
- 4) A Corporate Member intending to send its authorised representative(s) to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
- 5) Documents relating with the businesses and registers are available for inspection till date of AGM on all working days (except Saturday & Sunday) at the Corporate Office of the company at 605/606, 6th Floor, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai 400051 during business hours.
- 6) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting. Proxy Form and Attendance Slip are enclosed.

**ATTENDANCE SLIP**  
**ANNUAL GENERAL MEETING**

Date: Saturday, 31<sup>st</sup> December, 2022, Time: 5:00 P.M.

Venue: 605/606, 6th Floor, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai 400051.

I / We hereby record my/our presence at the Annual General Meeting of the Company at 605/606, 6th floor, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai 400051.

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Member's Folio

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Name of Member / Authorised  
Representative / Proxy

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Signature of Member /  
Authorised Representative /  
Proxy

Note:

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company.
3. Electronic copy of Notice of the Annual General Meeting (AGM) were sent to all the members at the email address registered with the Company. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.

**Form No. MGT-11**  
**Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]**

CIN: U74999HR2018PTC072204

Name of the Company: Entero Healthcare Solutions Private Limited

Registered office: Plot No. I-35, Building -B, Industrial Area Phase-I,13/7 Mathura Road, Faridabad HR  
121003

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client ID and DP ID:

I/We, being the member (s) of the Company and holding ..... shares of the  
above named company, hereby appoint

1. Name: .....

Address:

E-mail Id:

Signature:.....,

or failing him

2. Name: .....

Address:

E-mail Id:

Signature:.....,

or failing him

3. Name: .....

Address:

E-mail Id:

Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General  
Meeting of the Company, to be held on Saturday, 31<sup>st</sup> December, 2022 at 5:00 p.m. at 605/606, 6th  
floor, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai 400051 and at any adjournment  
thereof in respect of such resolutions as are indicated below:

Resolutions:

1. To receive, consider and adopt the Audited Financial Statement for the financial year ended 31st  
March, 2022, along with the reports of the Board and Auditor thereon.



Signed this..... day of..... 20....

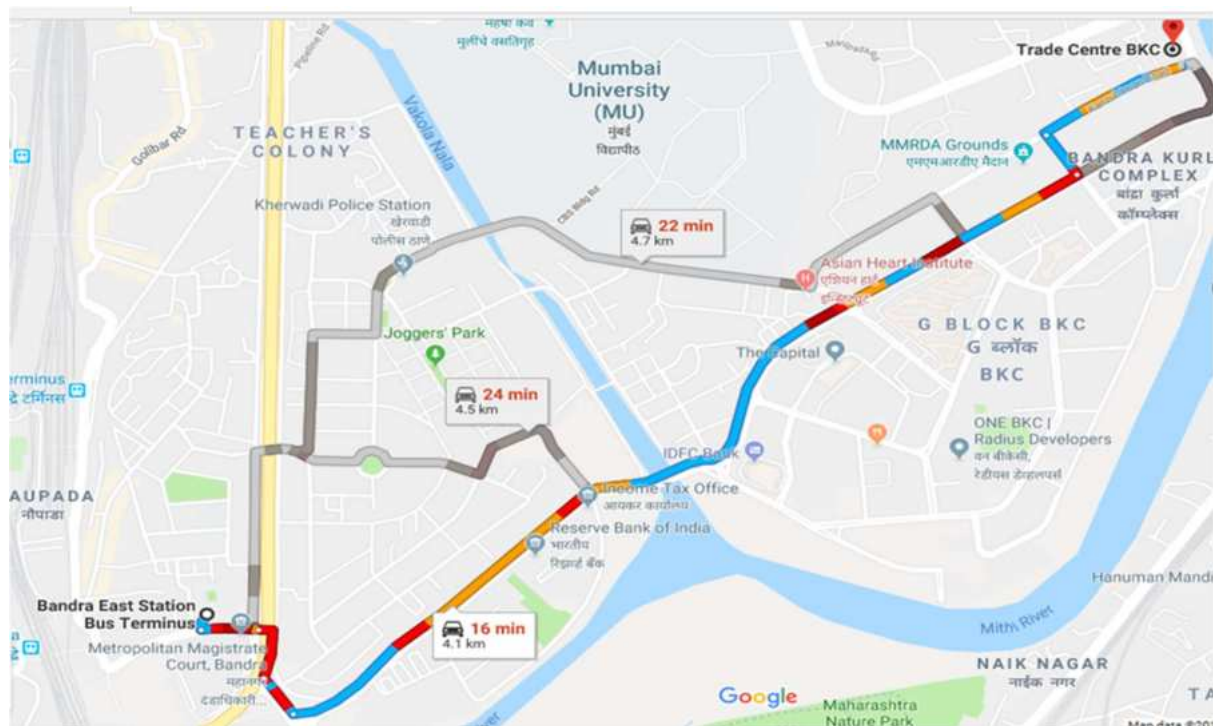
Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## ROUTE MAP



## BOARD'S REPORT

To

The Members

**Entero Healthcare Solutions Private Limited**

Plot No. I-35, Building -B, Industrial Area Phase-I,  
 13/7 Mathura Road, Faridabad - 121003

The Board of Director of your Company are pleased to present their report together with the audited financial statements for the financial year ended on March 31, 2022.

### 1. STATE OF COMPANY'S AFFAIRS

The total income of the Company during the year under review on standalone basis was Rs. 1,641.58 million as against Rs. 1,282.96 million of previous year. The total income of the Company during the year under review on consolidated basis was Rs. 25,265.48 million as against Rs. 17,836.67 million of previous year. The loss after tax on standalone basis was Rs. 408.47 million as compared to previous year loss after tax of Rs. 181.52 million.

### 2. FINANCIAL SUMMARY

(Amount in Rs. Million)

Particulars	Standalone		Consolidated	
	For the financial year ended 31/03/2022	For the financial year ended 31/03/2021	For the financial year ended 31/03/2022	For the financial year ended 31/03/2021
Total Income	1,641.58	1,282.96	25,265.48	17,836.67
Total Expenses	2,050.05	1,464.48	25,463.59	17,945.05
Profit / (Loss) before tax	(408.47)	(181.52)	(198.11)	(108.38)
Profit or (Loss) After Tax for the year	(408.47)	(181.52)	(294.38)	(153.54)

The highlights of the financial performance of the subsidiaries of the Company including disclosures in the format of form AOC 1 as on March 31, 2022, are enclosed as **Annexure I** to this report. The Board do not recommend any amount to be transferred to reserves.

### 3. SHARE CAPITAL

The Authorized share capital of the Company as on March 31, 2022 was Rs. 7,043.5 million (Rupees Seven Billion Forty-Three Million Five Hundred Thousand only) divided into 4 million (Four million) Equity Shares of Rs. 10/- (Rupees Ten only) each and 700.35 million (Seven Hundred Million Three Hundred Fifty Thousand) Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- (Rupees Ten only) each. The paid up share capital of the Company as on March 31, 2022 was Rs. 6,228.4 million (Rupees Six Billion Two Hundred and Twenty-Eight Million Four Hundred and One Thousand Seven Hundred and Sixty only) consisting of Equity Share Capital of Rs 38.50 million and Compulsorily Convertible Cumulative Preference Share Capital of Rs. 6,189.90 million.



The issued, subscribed and paid-up share capital increased from Rs. 5,172.12 million as on March 31, 2021 to Rs. 6,228.4 million as on March 31, 2022. During the year under review, the Company had undertaken following transactions relating to share capital of the Company:

Increase in Share Capital	The Company had issued 10,18,77,676 Compulsorily Convertible Cumulative Preference Shares and 37,50,000 Equity Shares during the year under review.
Buy Back of Securities	Nil
Sweat Equity	Nil
Bonus Shares	Nil
Employees Stock Option Plan	Nil

#### 4. DIVIDEND

Your directors do not recommend any dividend for the year ended on March 31, 2022 considering loss incurred by the Company.

#### 5. EXTRACT OF ANNUAL RETURN:

The annual return of the Company can be accessed at :  
<https://www.enterohealthcare.com/pdf/MGT7.pdf>

#### 6. BOARD MEETINGS HELD DURING THE YEAR & ATTENDANCE OF DIRECTORS

During the period under review, the Board of Directors of your Company met Eleven (11) times and the gap between two meetings did not exceed as prescribed under the Companies Act, 2013 and rule and circulars issued thereunder. The Board Meetings were held on 1-Apr-2021, 23-Apr-2021, 15-May-2021, 28-Jun-2021, 16-Aug-2021, 10-Sep-2021, 21-Sep-2021, 6-Oct-2021, 9-Nov-2021, 29-Dec-2021 and 11-Mar-2022.

S. No.	Name of Directors	No. of Meetings	
		Entitled to attend	Attended
1.	Mr. Prabhat Agrawal	11	11
2.	Mr. Prem Sethi	11	11
3.	Dr. Sunny Sharma	11	6
4.	Mr. Vipul Desai	11	11
5.	Mr. Arun Sadhanandham	11	10

#### 7. CHANGE IN THE BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

As on date, the Board of Directors of the Company consists of following Directors:

1. Mr. Prabhat Agrawal
2. Mr. Prem Sethi
3. Dr. Sunny Sharma
4. Mr. Vipul Desai
5. Mr. Arun Sadhanandham



None of the directors are liable to retire by rotation.

**A. Changes in Board Structure:**

- a. Appointment : Nil  
b. Cessation : Nil

**B. Changes in KMP:**

- a. Appointment : Mr. Jayant Prakash was appointed as General Counsel and Company Secretary of the Company w.e.f. 3<sup>rd</sup> January 2022  
b. Cessation : Ms. Swathi Kamath resigned as Head Legal and Company Secretary of the Company w.e.f. November 9, 2021.

**8. COMPOSITION OF COMMITTEES OF BOARD**

The Company was not required to constitute any committees of the Board. The Board has not voluntarily constituted any Committees of the Board.

**9. DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended March 31, 2022, and of the loss of the Company for the period;
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the annual accounts on a going concern basis; and
5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**10. STATUTORY AUDITORS**

M/s. MSKA & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company at First Annual General Meeting held on 24<sup>th</sup> December 2019 to hold office until the conclusion of Sixth Annual General Meeting of the Company.





# 11. REPORTING OF FRAUDS

During the period, there has been no instance of fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act 2013 and Rules framed thereunder, either to the Company or to the Central Government.

# 12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualification, reservation or adverse remark or disclaimer made by the Auditors in their report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

Further, the provisions relating to Secretarial Audit by Practicing Company Secretary are not applicable to the Company.

# 13. DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS UNDER SUB SECTION (1) OF SECTION 148

The provisions relating to maintenance of cost records under sub section (1) of Section 148 of the Companies Act, 2013 are not applicable on the Company during the financial year.

# 14. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT.

No material changes and commitments, affecting the financial position of the Company, occurred from the end of the financial year 2021-22 till the date of this report.

# 15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

## (A) CONSERVATION OF ENERGY-

a. The steps taken or impact on conservation of energy; b. The steps taken by the company for utilising alternate sources of energy; c. The capital investment on energy conservation equipments;	The Company is engaged in pharma / surgical products' distribution trading of medicines, etc., which requires very minimum amount of energy. However, the Company has taken measures to reduce energy consumption, wherever possible.
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## (B) TECHNOLOGY ABSORPTION-

(a) The efforts made towards technology absorption	No new technology has been
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		absorbed during the financial year.
(b)	The benefits derived like product improvement, cost reduction, product development or import substitution.	N.A.
(c)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- i. the details of technology imported ii. the year of import iii. whether the technology been fully absorbed iv. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	No new technology has been imported during the last three years.
(d)	The expenditure incurred on Research and Development.	NIL

**(C) Foreign Exchange earning and outgo:**

Particulars	For the period ended 31/03/2022 (In INR at actual)	For the year ended 31/03/2021 (In INR at actual)
Foreign exchange earning	-	48,097,078
Foreign exchange outgo*	117,787,098	560,400,743
*including advance to vendors of INR 14,12,798 for financial year ended March 31, 2022 and INR 5,93,78,304 for financial year ended March 31, 2021.		

**16. RISK MANAGEMENT POLICY:**

The Company operates in a volatile, uncertain, complex and ambiguous (VUCA) world with rapid changes. These changes bring a mix of opportunities and uncertainties impacting the Company's objectives. Risk Management, which aims at managing the impact of these uncertainties, is an integral part of the Company's strategy setting process. The Company regularly identifies these uncertainties and after assessing them, devises short-term and long-term actions to mitigate any risk which could materially impact the Company's long-term goals. Mitigation plans to significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership. The Company endeavors to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

**17. CHANGE IN THE NATURE OF BUSINESS**

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



**18. DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT**

Sr. No.	Particulars	Amount (in INR)
1.	Accepted during the year	<b>NIL</b>
2.	Remained unpaid or unclaimed as at the end of the year	<b>NIL</b>
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: i. at the beginning of the year ii. Maximum during the year iii. at the end of the year	<b>NIL</b>
4.	Details of deposits which are not in compliance with the requirements of Chapter V of the Act	<b>NIL</b>

*\*Note: Disclosure pursuant to Rule 2(1)(c)(viii) of Companies (Acceptance of Deposits) Rules, 2014: No declaration is required as the Company has not received any monies from the Directors during the year.*

**19. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR, COURTS, TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year under review, no significant and material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company.

**20. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has a set of procedures which enables to implement internal financial control across the organization and ensure that the same are adequate and operating effectively.

**21. PARTICULARS OF REMUNRATION OF EMPLOYEES**

The Company is not listed on any stock exchanges and accordingly the provisions of Section 197(12) of the Companies Act, 2013 read with sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

**22. CORPORATE SOCIAL RESPONSIBILITY:**

The provisions relating to Corporate Social Responsibility were not applicable on the Company during the financial year.

**23. PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has zero tolerance for sexual harassment at workplace. The Company has constituted an Internal Complaints Committee and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for





prevention and redressal of complaints of sexual harassment at workplace. The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's offices, and take appropriate decision in resolving such issues.

During the financial year 2021-22, the Company has not received any complaint on sexual harassment.

#### **24. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS**

During the period, the Company is in compliance with the applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs with all amendments thereto.

#### **25. INSOLVENCY AND BANKRUPTCY CODE, 2016**

No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year against the Company.

#### **26. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

The Company has completed acquisition of following companies after the closing of financial year ended on March 31, 2022, and the companies are wholly owned subsidiaries of the Company:

1. Saurashtra Medisolutions Private Limited
2. SVS Lifesciences Private Limited
3. S.S. Pharma Traders Private Limited

Apart from the abovementioned developments, there were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and on the date of this report.

#### **27. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 are not applicable to the Company as there was no dividend declared and paid previous financial year.

#### **28. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

The list of subsidiaries and shareholding of the Company in respective subsidiaries as on March 31, 2022 are as follows:

S. No.	Name of the Subsidiary Company	Percentage holding
1.	Atreja Healthcare Solutions Private Limited ('AHSPL')	100%
2.	Avenues Pharma Distributors Private Limited ('Avenues')	100%
3.	Barros Enterprises Private Limited ('Barros')	100%
4.	Calcutta Medisolutions Private Limited ('Calcutta')	100%
5.	Chethana Healthcare Solutions Private Limited ('CHSPL')	100%



S. No.	Name of the Subsidiary Company	Percentage holding
6.	Chethana Pharma Distributors Private Limited ('CPDPL')	100%
7.	Chethana Pharma Private Limited ('CPPL')	100%
8.	Chhabra Healthcare Solutions Private Limited ('Chhabra')	100%
9.	Chirag Medicare Solutions Private Limited ('Chirag')	100%
10.	City Pharma Distributors Private Limited ('City Pharma')	100%
11.	CPD Pharma Private Limited ('CPD')	100%
12.	Curever Pharma Private Limited ('Curever')	100%
13.	G.S. Pharmaceutical Distributors Private Limited ('GS')	100%
14.	Galaxystar Pharma Distributors Private Limited ('Galaxystar')	100%
15.	Getwell Medicare Solution Private Limited ('Getwell')	85%
16.	Jaggi Enterprises Private Limited ('Jaggi')	100%
17.	Millennium Medisolutions Private Limited ('Millennium')	100%
18.	New RRPD Private Limited ('RRPD')	100%
19.	New Siva Agencies Private Limited ('NSAPL')	100%
20.	Novacare Healthcare Solutions Private Limited ('Novacare')	100%
21.	Quomed Lifesciences Private Limited ('Quomed')	100%
22.	R S M Pharma Private Limited ('RSM')	100%
23.	Rada Medisolutions Private Limited ('Rada')	100%
24.	Rimedio Pharma Private Limited ('Rimedio')	100%
25.	Sesha Balajee Medisolutions Private Limited ('Sesha Balajee')	100%
26.	Sree Venkateshwara Medisolutions Private Limited ('SVMPL')	100%
27.	Sri Parshva Pharma Distributors Private Limited ('Sri Parshva')	100%
28.	Sri Rama Pharmaceutical Distributors Private Limited ('Sri Rama')	100%
29.	Sundarlal Pharma Distributors Private Limited ('Sundarlal')	100%
30.	SVMED Solutions Private Limited ('SVMED')	100%
31.	Swami Medisolutions Private Limited ('SMPL')	100%
32.	Vasavi Medicare Solutions Private Limited ('Vasavi')	100%
33.	Western Healthcare Solutions Private Limited ('WHSPL')	100%
34.	Zennx Software Solutions Private Limited ('ZSSPL')	100%

Subsidiaries acquired during the financial year and date of acquisition of all the subsidiary forms part of Annexure I of the Boards report. There were no companies which ceased to be subsidiary of the Company during the year.

## 29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company have extended inter-corporate deposit, made investments and provided corporate guarantees during the year under review. The inter-corporate deposits, investments and corporate guarantees to subsidiaries are exempted under the provisions of Section 186 of the Companies Act, 2013. The details of inter-corporate deposits, investments made by the Company, and corporate guarantees extended by the Company to the Banks for working capital facilities availed by subsidiaries are enclosed herewith as **Annexure II**. The inter-corporate deposits was granted to the subsidiaries for meeting their working capital requirements and for general corporate purposes.



**30. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

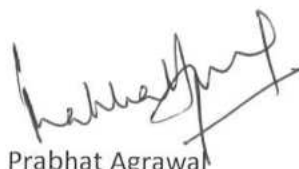
The Company had entered into related party transaction with its subsidiaries and pursuant to notification of Ministry of Corporate Affairs vide reference no. G.S.R. 464(E) dated June 5, 2015, subsidiaries of a holding company are exempted from being related party as defined under Section 2(76) of the Companies Act, 2013. Accordingly, the disclosures of such transactions under form AOC 2 are not applicable to the Company. Further the details of such transaction's forms part of note no. 47 of the standalone financial statements of the Company for the financial year ended March 31, 2022. Those transactions entered by the Company were in ordinary course of business and on arm's length basis.

Additionally, the disclosures of related party transactions other than the aforesaid mentioned transactions are annexed to this Report in Form AOC-2 as **Annexure III**.

**31. ACKNOWLEDGEMENTS**

The directors place on record their sincere appreciation for the assistance and co-operation extended by bank & financial institutions, its employees, its investors and all other associates and look forward to continue fruitful association with all business partners of the company.

For and on behalf of the board of directors of  
**Entero Healthcare Solutions Private Limited**



Prabhat Agrawal  
Managing Director  
(DIN: 07466382)  
Place: Mumbai



Prem Sethi  
Executive Director  
(DIN: 07077034)  
Place: Mumbai

Address: 29th Floor, N 2901,  
Lodha World One, Senapati Bapat  
Marg, Upper Worli, Delisle Road,  
Mumbai - 400013

Address: House No - 03, Sector-  
37, Amarnagar, Faridabad -  
121003

Date: December 22, 2022

**Annexure I**  
**Form AOC-1**  
**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**  
**Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2022**

Names Particulars	(Amounts in Rs. million)									
	GS	Novacare	RSM	Getwell	Sundarlal	Chhabra	Galaxystar	Avenues	Chirag	Jaggi
Date since when subsidiary was acquired	09-Aug-2018	09-Aug-2018	14-Aug-2018	26-Dec-2018	29-Dec-2018	19-Jan-2019	21-Feb-2019	15-April-2019	15-May-2019	20-May-2019
Share Capital	36.00	110.00	15.00	80.00	0.10	0.10	0.10	0.10	1.00	0.10
Reserves & surplus	(17.28)	(62.98)	38.48	65.10	(57.08)	(19.04)	5.23	1.95	117.51	(4.67)
Total assets	283.58	1,113.34	437.11	490.88	88.80	164.16	256.77	722.12	461.03	345.36
Total liabilities	264.86	1,066.32	383.63	345.77	145.78	183.10	251.44	720.07	342.52	349.93
Investments	-	-	-	-	-	-	-	-	-	-
Turnover	853.38	2,838.38	2,309.38	1577.13	495.19	639.71	1,798.49	2,279.44	1,949.73	1,015.76
Profit / (Loss) before tax	(5.89)	(1.24)	45.28	41.24	(8.10)	(9.53)	30.28	6.32	73.08	4.23
Provision for taxation	-	-	-	1.29	-	-	1.32	0.89	-	-
Profit or (Loss) After Tax for the year	(5.89)	(1.24)	33.01	32.04	(8.10)	(9.53)	23.94	3.84	54.65	4.23
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	85%	100%	100%	100%	100%	100%	100%



**Annexure I**  
**Form AOC-1**  
 (Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
 Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2022

(Amounts in Rs. million)

Particulars	Names	CHSPL	Vasavi	SVMED	CPPL	Millennium	Rada	Sesha Balajee	Barros	Quromed	Rimedio
Date since when subsidiary was acquired		29-May-2019	31-May-2019	12-Jun-2019	06-Aug-2019	07-Aug-2019	21-Aug-2019	13-Jan-2020	02-Mar-2020	26-Mar-2020*	26-Mar-2020*
Share Capital		1.00	0.10	0.10	3.00	0.10	0.10	0.10	0.10	0.10	0.10
Reserves & surplus		8.59	1.68	21.77	122.84	19.98	(6.95)	15.81	32.23	(0.07)	(0.08)
Total assets		123.12	218.98	285.68	447.22	492.05	149.88	217.87	192.92	0.10	0.10
Total liabilities		113.53	217.20	263.81	321.38	471.97	156.73	201.96	160.59	0.07	0.07
Investments		-	-	-	-	-	-	-	-	-	-
Turnover		477.73	774.62	929.43	1,955.49	1,318.50	587.65	695.98	569.31	0.00	0.00
Profit / (Loss) before tax		4.72	4.51	18.19	78.36	11.84	1.72	18.64	22.99	(0.04)	(0.04)
Provision for taxation		-	-	-	1.16	-	-	0.81	0.96	-	-
Profit or (Loss) After Tax for the year		3.40	3.37	13.65	58.54	8.65	1.72	13.94	16.91	(0.04)	(0.04)
Proposed Dividend		-	-	-	-	-	-	-	-	-	-
% of shareholding		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

\*Date of Incorporation (Incorporated by Entero Healthcare Solutions Private Limited)





**Annexure I**  
**Form AOC-1**  
 (Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
 Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2022

(Amounts in Rs. million)

Names Particulars	CPDPL	SVMPL	CPD	Calcutta	Curever	WHSPL	AHSPL	City Pharma	ZSSPL	NSAPL
Date since when subsidiary was acquired	08-Apr-2020*	06-Aug-2020	14-Sep-2020	01-Jan-2021	19-Jan-2021*	01-Apr-2021	14-Apr-2021	14-Apr-2021	09-Nov-2021*	02-Dec-2021
Share Capital	0.10	0.10	0.10	0.10	0.10	0.15	0.10	0.10	0.10	0.10
Reserves & surplus	(7.92)	(4.11)	(2.54)	(1.48)	(177.39)	19.47	(1.21)	(3.07)	(0.02)	0.40
Total assets	42.36	60.66	50.71	31.52	240.49	261.94	57.39	49.65	0.10	90.17
Total liabilities	50.18	64.67	53.15	32.89	417.78	242.32	58.50	52.62	0.02	89.67
Investments	-	-	-	-	-	-	-	-	-	-
Turnover	90.19	107.03	166.78	51.30	171.34	732.87	132.21	76.17	0.00	106.46
Profit / (Loss) before tax	(4.56)	(1.94)	(4.12)	(2.11)	(177.42)	25.92	(1.21)	(3.07)	(0.02)	0.53
Provision for taxation	-	-	-	-	-	-	-	-	-	-
Profit or (Loss) After Tax for the year	(4.56)	(1.94)	(3.85)	(1.59)	(177.42)	19.72	(1.21)	(3.07)	(0.02)	0.40
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

\*Date of Incorporation (Incorporated by Entero Healthcare Solutions Private Limited)



**Annexure I**  
**Form AOC-1**  
 (Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2022**  
 (Amounts in Rs. million)

Names Particulars	RRPD	SMPL	Sri Parshva	Sri Rama
Date since when subsidiary was acquired	03-Dec-2021	21-Dec-2021	01-Feb-2022	01-Mar-2022
Share Capital	0.10	0.10	0.10	0.05
Reserves & surplus	1.06	(1.86)	1.36	(1.68)
Total assets	79.30	79.75	667.67	664.71
Total liabilities	78.14	81.51	666.21	666.34
Investments	-	-	-	-
Turnover	84.41	36.90	230.47	16.77
Profit / (Loss) before tax	1.42	(1.86)	2.22	(1.68)
Provision for taxation	0.10	-	0.66	-
Profit or (Loss) After Tax for the year	1.06	(1.86)	1.36	(1.68)
Proposed Dividend	-	-	-	-
% of shareholding	100%	100%	100%	100%



**Annexure II**
**Particulars of inter corporate deposit, investments and corporate guarantees:**
**Inter corporate deposit (ICD):**

S. No.	Name of the Company	Gross amount of ICD granted during the year (Rs. In million)	Balance/outstanding amount of ICD as at end of the financial year (Rs. In million)
1.	Novacare	180.00	215.94
2.	GS	55.50	125.69
3.	RSM	34.00	112.06
4.	Galaxystar	16.00	72.44
5.	Sundarlal	5.00	79.62
6.	Chhabra	-	80.94
7.	Getwell	20.00	106.13
8.	Avenues	10.00	321.10
9.	Barros	-	81.53
10.	CHSPL	3.00	62.70
11.	CPPL	10.00	99.15
12.	Chirag	10.00	90.58
13.	Jaggi	5.00	158.07
14.	Millennium	30.00	199.98
15.	Rada	6.00	95.90
16.	Sesha Balajee	13.10	124.36
17.	SVMED	53.70	107.59
18.	Vasavi	14.50	112.04
19.	Calcutta	10.64	17.40
20.	Curever	287.40	104.20
21.	SVMPL	10.40	35.35
22.	CPDPL	0.50	11.00
23.	CPD	9.49	20.44
24.	AHSPL	36.10	36.10
25.	City Pharma	34.70	34.70
26.	RRPD	59.30	59.30
27.	NSAPL	65.90	65.90
28.	Sri Parshva	547.09	243.69
29.	Sri Rama	122.03	122.03
30.	SMPL	62.30	62.30
31.	WHSPL	187.50	137.50

**Investments:**

The details of amounts of investment made by the Company as on financial year ended March 31, 2022 are as follows:

S No	Company	Amount (Rs. In million)
1.	Novacare	110.00





S No	Company	Amount (Rs. In million)
2.	GS	36.00
3.	RSM	47.70
4.	Galaxystar	48.00
5.	Sundarlal	23.00
6.	Chhabra	35.00
7.	Getwell	68.00
8.	Avenues	0.10
9.	Chirag	1.00
10.	Jaggi	0.10
11.	CHSPL	1.00
12.	Vasavi	0.10
13.	SVMED	0.10
14.	CPPL	3.00
15.	Millennium	0.10
16.	Rada	0.10
17.	Sesha Balajee	0.10
18.	Barros	0.10
19.	Quromed	0.10
20.	Rimedio	0.10
21.	Calcutta	0.10
22.	CPDPL	0.10
23.	CPD	10.10
24.	Curever	0.10
25.	SVMPL	0.10
26.	WHSPL	0.10
27.	AHSPL	0.10
28.	City Pharma	0.10
29.	SMPL	0.10
30.	NSAPL	0.10
31.	RRPD	0.10
32.	Sri Rama	0.10
33.	Sri Parshva	0.10
34.	ZSSPL	0.10

#### Corporate Guarantee

The details of maximum amounts of corporate guarantee provided by the Company to the Banks for working capital facilities granted to following entities are as follows:

S No	Name of the Company	Outstanding amount of corporate guarantee at the end of financial year (Amounts Rs. In million)	Overall amounts of corporate guarantee provided (Amounts Rs. In million)
1.	Novacare	433.44	500.00
2.	Getwell	76.74	150.00
3.	Avenues	250.28	350.00



S No	Name of the Company	Outstanding amount of corporate guarantee at the end of financial year (Amounts Rs. In million)	Overall amounts of corporate guarantee provided (Amounts Rs. In million)
4.	CHSPL	17.23	50.00
5.	Chirag	84.29	150.00
6.	RSM	189.16	250.00
7.	GS	72.65	80.00
8.	Chhabra	39.48	50.00
9.	Sundarlal	21.16	70.00
10.	Galaxystar	84.01	150.00
11.	Jaggi	85.55	120.00
12.	CPPL	59.42	150.00
13.	Millennium	128.55	150.00
14.	SVMED	80.26	150.00
15.	Vasavi	61.11	150.00
16.	Barros	34.61	67.00
17.	Sesha Balajee	48.03	150.00
18.	WHSPL	22.89	80.00
19.	Sri Rama	226.62	226.62
20.	Sri Parshva	303.64	303.64
21.	Curever	200.00	200.00



**Annexure- III**
**Form AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**
**1. Details of contracts or arrangements or transactions not at arm's length basis**

Sr. No.	Name(s) of the party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(h)
NIL								

**2. Details of material contracts or arrangements or transactions at arm's length basis**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board , if any:	Amount paid as advances, if any or Transaction amount (Rs. In million):
	(a)	(b)	(c)	(d)	(e)	(f)
1.	M/s. Technomax Infosolutions (Relative of Director is a Partner in this firm)	To obtain software as service for generating e-invoices at multiple locations of the Company. To obtain additional features of the software as and when necessary and impart training to employees of the Company	On-going basis	In ordinary course of business and on arm's length basis	April 1, 2021	0.57
2.	S & A Law Offices (Relative of	To avail legal advisory services, assistance in drafting, vetting,	On-going retainership	In ordinary course of business and on arm's	December 29, 2021	0.13



Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any or Transaction amount (Rs. In million):
	(a)	(b)	(c)	(d)	(e)	(f)
	Director is a proprietor	review of agreements, complaints, written statements, notices, etc and appearing before various courts and tribunals on behalf of the Company.	arrangement / agreement dated February 18, 2022, for a period of 24 months.	length basis		

For and on behalf of the board of directors of  
**Entero Healthcare Solutions Private Limited**

  
 Prabhat Agrawal  
**Managing Director**  
 (DIN: 07466382)

  
 Prem Sethi  
**Executive Director**  
 (DIN: 07077034)



Address: 29th Floor, N 2901,  
 Lodha World One, Senapati  
 Bapat Marg, Upper Worli,  
 Delisle Road, Mumbai - 400013

Address: House No - 03, Sector-  
 37, Amarnagar, Faridabad -  
 121003.

Date: December 22, 2022  
 Place: Mumbai

Date: December 22, 2022  
 Place: Mumbai



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Entero Healthcare Solutions Private Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of **Entero Healthcare Solutions Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss, Statement of Changes in Equity and 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and profit, 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 Standards 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 (ICAI) 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.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is 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 financial position, financial performance, changes in equity 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 standalone financial statement 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 Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

#### **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 sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) 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.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    1. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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.
    2. The Management has represented, that, to the best of it's knowledge and belief, 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, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard 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 (1) and (2) above, contain any material misstatement.
  - v. The Company has neither declared nor paid any dividend during the year.





# MSKA & Associates

Chartered Accountants

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Vaijayantimala Belsare  
Partner

Membership No. 049902  
UDIN: 22049902BAGSTG1851  
Place: Mumbai  
Date: October 19, 2022





**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED**

**Auditor's Responsibilities for the Audit of the 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 internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**For M S K A & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

  
**Vaijayanti Mala Belsare**  
**Partner**  
Membership No. 049902  
UDIN: 22049902BAGSTG1851  
Place: Mumbai  
Date: October 19, 2022



# MSKA & Associates

Chartered Accountants

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' 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 has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years 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) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

- (a) The Company has a system of physical verification of inventory whereby all items of inventory are physically verified weekly. Discrepancies, if any between physical stock and book records are adjusted in the books as and when the verifications and corresponding reconciliations are carried out. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. Discrepancies noted on perpetual physical verification carried out during the year were not material and have been adjusted in books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of Rs.50 Millions in aggregate from financial institution on the basis of security of its entire current assets and movable fixed assets. Quarterly returns / statements have not been filed with financial institution during the year, hence we are unable to comment if there any discrepancies between balance as per books and balance as per quarterly returns sent to financial institutions under this clause.





# MSKA & Associates

Chartered Accountants

- iii. a) According to the information explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.

(A) The details of such loans or advances and guarantees or security to subsidiaries, Joint Ventures and Associates are as follows:

	(Amounts in Rs Millions)			
	Guarantees	Security	Loans	Advances
<b>Aggregate amount granted/provided during the year</b>				
- Subsidiaries	1,840.95	-	1,899.15	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
<b>Balance Outstanding as at balance sheet date in respect of above cases</b>				
- Subsidiaries	3,790.95	-	3,195.73	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-

(B) The details of such loans or advances and guarantees or security to parties other than subsidiary, joint ventures and associates are as follows:

	(Amounts in Rs Millions)			
	Guarantees	Security	Loans	Advances
<b>Aggregate amount granted/provided during the year</b>				
- Others	-	-	-	-
<b>Balance Outstanding as at balance sheet date in respect of above cases</b>				
- Others	-	-	0.72	-

b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made, guarantees provided, securities given and grant of all loans and advances in the nature of loan and guarantees are not prejudicial to the interest of the company.

c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have not been stipulated since the loan and interest is repayable on demand. In the absence of stipulation of repayment terms we are unable to comment on the regularity of repayment of principal and payment of interest.

d) There are no amounts overdue for more than ninety days in respect of the loan granted to related parties.

e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.



f) According to the information explanation provided to us, the Company has granted loans/advances in the nature of loans repayable on demand. The details of the same are as follows:

	(Amounts in INR Millions)		
	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	3,196.44	-	3,195.73
- Agreement does not specify any terms or period of repayment (B)	-	-	-
<b>Total (A+B)</b>	<b>3,196.44</b>	<b>-</b>	<b>3,195.73</b>
Percentage of loans/ advances in nature of loans to the total loans	100%	-	99.98%

- iv. In our opinion According to the information & explanation given to us, the company has complied with provisions of section 185 and section 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in clause 3 (vi) of the Order are not applicable to the Company.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, cess have been regularly deposited by the Company with appropriate authorities in all cases during the year. Statutory dues on account of, service tax, duty of excise and value added tax are not applicable to the Company.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute. Statutory dues on account of sales-tax, service tax, duty of excise and value added tax are not applicable to the Company.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.





# MSKA & Associates

Chartered Accountants

ix.

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans during the year have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements 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 explanation 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 an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (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 securities, joint ventures or associate companies.

x.

- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) In our opinion, according to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment and private placement of shares during the year and the requirements of Section 42 and section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

xi.

- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.

xii.

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.



# MSKA & Associates

Chartered Accountants

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under section 177 of the Act.
- xiv. In our opinion and based on our examination, the Company does not require to comply with provision of section 138 of the Act. Hence, the provisions stated in paragraph 3(xiv) (a) to (b) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the Company
- xvii. Based on the overall review of financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows.

(Amount in INR Millions)

Particulars	March 31, 2022 (Current Year)	March 31, 2021 (Previous Year)
Cash Loss	(315.73)	(106.83)

- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Hence, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.





# MSKA & Associates

Chartered Accountants

- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Vaijayantimala Belsare**  
Partner  
Membership No. 049902  
UDIN: 22049902BAGSTG1851  
Place: Mumbai  
Date: October 19, 2022



**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED**

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Entero Healthcare Solutions Private Limited on the Financial Statements for the year ended March 31, 2022]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Entero Healthcare Solutions Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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.





# MSKA & Associates

Chartered Accountants

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

## Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 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 standalone financial statements.

## Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 22049902BAGSTG1851  
Place: Mumbai  
Date: October 19, 2022



Entero Healthcare Solutions Private Limited  
 Standalone Balance Sheet as at 31 March 2022  
 (Amount in Millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	471.04	479.36
Other Intangible assets	6	43.15	22.53
Intangible asset under development	7	0.54	22.40
Financial assets			
Investments in subsidiaries	8	394.30	387.05
Other financial assets	9	28.17	30.06
Deferred tax asset (net)	10	-	-
Non Current tax assets (net)	11	30.95	21.35
<b>Total non-current assets</b>		<b>968.15</b>	<b>962.75</b>
<b>Current assets</b>			
Inventories	12	362.29	473.86
Financial assets			
Investments	13	-	-
Trade receivables	14	522.30	308.55
Cash and cash equivalents	15	302.02	162.19
Bank balances other than cash and cash equivalent	16	580.41	504.41
Loans	17	3,196.45	2,429.67
Other financial assets	18	312.11	239.94
Other current assets	19	297.10	245.69
<b>Total current assets</b>		<b>5,572.68</b>	<b>4,364.31</b>
<b>Total assets</b>		<b>6,540.83</b>	<b>5,327.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	38.50	1.00
Instrument entirely equity in nature	21	6,189.90	5,171.12
Other equity	22	(716.35)	(307.75)
<b>Total equity</b>		<b>5,512.05</b>	<b>4,864.37</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	24	221.72	205.59
Provisions	25	16.07	9.03
<b>Total non-current liabilities</b>		<b>237.79</b>	<b>214.62</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	23	300.00	-
Lease Liabilities	24	33.24	26.25
Trade payables	26		
i) total outstanding dues of micro enterprises and small enterprises		3.73	1.72
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		343.77	127.68
Other financial liabilities	27	71.06	56.63
Other current liabilities	28	17.37	27.21
Provisions	25	21.82	8.58
<b>Total current liabilities</b>		<b>790.99</b>	<b>248.07</b>
<b>Total liabilities</b>		<b>1,028.78</b>	<b>462.69</b>
<b>Total equity and liabilities</b>		<b>6,540.83</b>	<b>5,327.06</b>

See accompanying notes to the financial statements

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

As per our report of even date:

For **M S K A & Associates**  
 Chartered Accountants  
 Firm Registration No.:105047W

For and on behalf of the Board of Directors  
**Entero Healthcare Solutions Private Limited**  
 CIN: U74999HR2018PTC072204

  
**Vaijayantimala Belsare**  
 Partner  
 Membership No: 049902  
 Place: Mumbai  
 Date: 19 October 2022



  
**Prabhat Agrawal**  
 Managing Director  
 DIN: 07466382  
 Place: Mumbai  
 Date: 19 October 2022

  
**Prem Sethi**  
 Director  
 DIN: 07077034

  
**Jayant Prakash**  
 Company Secretary  
 M.N.: FCS-6742

Entero Healthcare Solutions Private Limited  
Statement of Profit and Loss for the year ended 31 March 2022  
(Amount in Millions, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	29	1,372.86	1,048.68
Other income	30	268.72	234.28
<b>Total income</b>		<b>1,641.58</b>	<b>1,282.96</b>
<b>Expenses</b>			
Purchase of Stock-in-trade	31	1,172.79	1,180.75
Changes in inventories of Stock-in-trade	32	111.57	(202.71)
Employee benefits expense	33	379.20	231.88
Finance costs	34	52.90	22.58
Depreciation and amortization expense	35	87.13	73.46
Other expenses	36	246.46	158.52
<b>Total expenses</b>		<b>2,050.05</b>	<b>1,464.48</b>
<b>Loss before tax</b>		<b>(408.47)</b>	<b>(181.52)</b>
<b>Tax expense</b>			
Current tax	37	-	-
Deferred tax	37	-	-
<b>Total income tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(408.47)</b>	<b>(181.52)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plan		(0.12)	(0.32)
Income tax effect		-	-
<b>Total</b>		<b>(0.12)</b>	<b>(0.32)</b>
Items that will be reclassified to profit or loss			
Other comprehensive income for the year, net of tax		(0.12)	(0.32)
<b>Total comprehensive expense for the year</b>		<b>(408.59)</b>	<b>(181.84)</b>
<b>Loss per share</b>	38		
Basic (INR)		(261.99)	(1,811.60)
Diluted (INR)		(261.99)	(1,811.60)
See accompanying notes to the financial statements	1-52		

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

As per our report of even date  
For **M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

  
**Vaijayantimala Belsare**  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 19 October 2022



For and on behalf of the Board of Directors of  
**Entero Healthcare Solutions Private Limited**  
CIN: U74999HR2018PTC072204

  
**Prabhat Agrawal**  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 19 October 2022

  
**Prem Sethi**  
Director  
DIN: 07077034

  
**Jayant Prakash**  
Company Secretary  
M.N.:FCS-6742



Entero Healthcare Solutions Private Limited  
 Standalone Statement of changes in equity for the year ended 31 March 2022  
 (Amount in Millions, unless otherwise stated)

(A) Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1.00	1.00
Changes in Equity Share capital during the year	37.50	-
Balance at the end of the year	38.50	1.00

(B) Other equity

Particulars	Instrument entirely equity in nature	Reserve and surplus Retained earnings	Total
Balance as at 31 March 2020	4,387.12	(125.91)	4,261.21
Changes during the year			
Issued during the year	784.00	-	784.00
Profit for the year	-	(181.52)	(181.52)
Other comprehensive income for the year	-	(0.32)	(0.32)
Total comprehensive income for the year	-	(181.84)	(181.84)
Balance as at 31 March 2021	5,171.12	(307.75)	4,863.37
Changes during the year			
Issued during the year	1,018.78	-	1,018.78
Profit for the year	-	(408.48)	(408.48)
Other comprehensive income for the year	-	(0.12)	(0.12)
Total comprehensive income for the year	-	(408.60)	610.18
Balance as at 31 March 2022	6,189.90	(716.35)	5,473.55

See accompanying notes to the financial statements

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

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.:105047W

  
 Vijayantimala Belsare  
 Partner  
 Membership No: 049902  
 Place: Mumbai  
 Date: 19 October 2022



For and on behalf of the Board of Directors of

Entero Healthcare Solutions Private Limited

CIN: U74999HR2018PTC072204

  
 Prabhat Agrawal  
 Managing Director  
 DIN: 07466382  
 Place: Mumbai  
 Date: 19 October 2022

  
 Prem Sethi  
 Director  
 DIN: 07077034

  
 Jayant Prakash  
 Company Secretary  
 M.N.:FCS-6742



Entero Healthcare Solutions Private Limited  
Standalone Statement of cash flows for the year ended 31 March 2022  
(Amount in Millions, unless otherwise stated)

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Cash flow from operating activities</b>		
Loss before tax	(408.47)	(181.52)
Adjustments for:		
Depreciation and amortization expenses	87.13	73.46
Finance cost	52.90	22.58
Interest income	(259.55)	(228.10)
Provision for expected credit loss	5.60	1.23
Provision for sales return	12.51	(7.51)
Provision for retirement benefits and leave obligation	7.64	6.21
<b>Operating loss before working capital changes</b>	<b>(502.24)</b>	<b>(313.65)</b>
<b>Changes in working capital</b>		
Increase/(Decrease) in trade payables	218.09	(3.34)
Decrease/(Increase) in inventory	111.57	(202.71)
Increase in trade receivables	(219.34)	(135.04)
(Decrease)/Increase in other current liabilities	(9.84)	2.67
Increase in other financial liabilities	14.43	24.77
Decrease/(Increase) in other financial assets	1.35	(3.10)
Increase in other current assets	(51.40)	(56.02)
<b>Cash used in operations</b>	<b>(437.38)</b>	<b>(686.42)</b>
Income tax refund (including advance tax & TDS)	(9.60)	4.47
<b>Net cash flows used in operating activities (A)</b>	<b>(446.98)</b>	<b>(681.95)</b>
<b>Cash flow from Investing activities</b>		
Purchase of non-current investments	(7.25)	(9.15)
Loans (repayment)/availed	(766.78)	72.89
Purchase of Property, Plant and Equipment, including movement in CWIP and capital advances	(25.83)	(65.47)
Net fixed deposit made	(76.00)	(228.41)
Interest received	187.91	158.05
<b>Net cash flow used in investing activities (B)</b>	<b>(687.95)</b>	<b>(72.09)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of convertible preference shares	1,018.78	784.00
Proceeds from issuance of equity share	37.50	-
Proceeds from short-term borrowings	300.00	-
Principal paid on lease liabilities	(28.62)	(6.44)
Interest paid on lease liabilities	(22.33)	(13.24)
Interest paid	(30.57)	(9.34)
<b>Net cash flow from financing activities (C)</b>	<b>1,274.76</b>	<b>754.98</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>139.83</b>	<b>0.94</b>
Cash and cash equivalents at the beginning of the year	162.19	161.25
Cash and cash equivalents at the end of the year	302.02	162.19
<b>Cash and cash equivalents comprise (Refer note 15)</b>		
Balances with banks		
On current accounts	301.98	162.15
Cash on hand	0.04	0.04
<b>Total cash and bank balances at end of the year</b>	<b>302.02</b>	<b>162.19</b>

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Opening balance</b>		
Cash credit facility	-	-
Interest accrued and due on borrowings	-	-
<b>Total Changes from financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Movement</b>		
Cash flows-Cash Credit facility	300.00	-
Interest paid	(29.17)	-
Interest expenses	29.17	-
<b>Closing Balance</b>		
Cash credit facility	300.00	-
Interest accrued and due on borrowings	-	-
<b>Total</b>	<b>300.00</b>	<b>-</b>





Entero Healthcare Solutions Private Limited  
Standalone Statement of cash flows for the year ended 31 March 2022  
(Amount in Millions, unless otherwise stated)

1. The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).

2. Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition).

See accompanying notes to the financial statements

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

As per our report of even date  
For **M S K A & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Entero Healthcare Solutions Private Limited**  
CIN: U74999HR2018PTC072204

  
**Vaijayantimala Belsare**  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 19 October 2022



  
**Prabhat Agrawal**  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 19 October 2022

  
**Prem Sethi**  
Director  
DIN: 07077034

  
**Jayant Prakash**  
Company Secretary  
M.N.:FCS-6742



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2022

(Amount in Millions, unless otherwise stated)

#### 1. General Information

Entero Healthcare Solutions Private Limited (the "Company") is a private limited company domiciled in India having its registered office at Faridabad, Haryana and was incorporated on 10 January 2018 under the provisions of the Companies Act, 2013 applicable in India. The Company's business includes composite range of activities viz. marketing and distribution of Surgical, pharmaceutical products and other allied services.

#### 2. Significant accounting policies

Significant accounting policies adopted by the company are as under:

##### 2.1 Basis of Preparation of Financial Statements

###### A. Statement of Compliance with IND AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements are approved by the Board of Directors on 19 October 2022.

###### B. Basis of Measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- Certain Financial assets are measured at fair value (refer accounting policy on financial instruments)
- Employee's Defined Benefit Plan as per actuarial valuation.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2022

(Amount in Millions, unless otherwise stated)

#### C. Current and non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfied any of the following criteria:

it is expected to be realised in, or intended for sale or consumption in, the group's normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be realised within 12 months after the balance sheet date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or intended for sale or consumption in, the group's normal operating cycle;

it is held primarily for the purpose of being traded;

it is due to be settled within 12 months after the balance sheet date; or

the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### D. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note No 3 for detailed discussion on estimates and judgments.





## **2.2 Property, Plant and Equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts, rebates, input tax credit (IGST/CGST and SGST) or any other tax credit available to the company are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow to the Company and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributable to the acquisition/construction of property, plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

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 Statement of Profit or Loss when the asset is derecognised.

### **Transition to IND AS:**

On Transition to IND AS, the Company has elected to continue with the carrying values of all of its property, plant and equipment recognised as of 01 April 2019 (the transition date) measured as per the Indian GAAP and use such carrying values as its deemed cost of the property, plant and equipment as on the transition date.

### **Depreciation on plant, property and equipment**

Depreciation on property, plant and equipment is provided on straightline method at their respective estimated useful lives, which is in line with the estimated useful lives as specified in Schedule II of the Companies Act, 2013.

**\*\*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under part C of schedule II of the Act.**



**Entero Healthcare Solutions Private Limited****Notes forming part of the financial statements for the year ended 31 March 2022**

(Amount in Millions, unless otherwise stated)

Particulars	Useful Life as per prescribed in Schedule II of the Act (year)
Leasehold Improvement*	Lease Period
Computer and peripherals**	3-6
Furniture and fixtures	10
Office equipment	5
Vehicle	8
Plant and Machineries	15
Electrical Installations and Equipment	10

\*Leasehold improvements are amortized over the period of the lease or useful life whichever is lower. Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss.

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

**2.3 Other Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use which includes any trade discounts, rebates, input tax credit (IGST/ CGST and SGST) or any other tax credit available to the company are deducted in arriving at the purchase price.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over their estimated useful economic lives.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition 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.

A summary of amortization period applied to the Company's intangible assets is as below:

Particulars	Useful life (years)
Computer software	5-10





## **2.4 Fair value Measurement**

The Company measures financial instruments, at fair value at each balance sheet date.

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 accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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

## **2.5 Revenue recognition**

### **Revenue from Sale of Goods**

Revenue is recognized upon transfer of control of promised goods to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

Revenue is recognized at a point in time when the goods and consumables are delivered at the agreed point of delivery which generally is the premises of the customer.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2022

(Amount in Millions, unless otherwise stated)

#### Other Income

Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

#### Marketing Support

Marketing support income is recognised upon transfer of control of promised services to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, performance bonuses, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

## 2.6 Taxes

#### a) Current Income Tax:

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### b) Deferred Tax:

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.





## 2.7 Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

## 2.8 Leases

### The Company as a lessee

The Company's lease asset classes primarily consist of leases for warehouse and office. The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of properties that are having non-cancellable lease term of less than 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 2.9 Inventories

The inventory comprises of traded goods which are stated at the lower of cost and net realisable value. Cost of inventory of traded goods is arrived based on actual cost by batch which comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provision is made for the cost of obsolescence and other anticipated losses, whenever considered necessary.



## **2.10 Impairment of non-financial assets**

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash-Generating Unit" - CGU).

## **2.11 Provisions and Contingent Liabilities**

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.





## 2.12 Cash and cash equivalents

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

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months.

## 2.13 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.

### (A) Financial assets

#### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not "at fair value through profit or loss" are measured at transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### (ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the related cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amounts are taken through Other Comprehensive Income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in "Other income" using the effective interest rate method.





Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through statement of profit and loss. Interest income from these financial assets is included in "Other income".

Equity instruments: 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 FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value in other comprehensive income . 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 FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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 recognized in the statement of profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on 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 subsequent years, 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 recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs 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 year end.

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 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 etc.) 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.



In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 90 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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.

**(iv) Derecognition of financial assets**

A financial asset is derecognized only when

- a) the right to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(B) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

**(ii) 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.





(iii) Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss as finance costs.

**(C) Embedded Derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

**(D) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.14 Employee Benefits**

**(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(b) Other long-term employee benefit obligations**

**(i) Defined contribution plan**



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2022

(Amount in Millions, unless otherwise stated)

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

The Company has no further obligations under these plans beyond its monthly contributions.

#### (ii) Defined Benefit Plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

## 2.15 Foreign Currency Transactions

### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.





## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2022

(Amount in Millions, unless otherwise stated)

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### 2.16 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

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 period are adjusted for the effects of all dilutive potential equity shares.

#### 3. Significant accounting Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, 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.

##### 3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### i) Recognition of deferred tax assets & Liabilities:

Deferred tax assets and liabilities are recognized for the future temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized. The position will be reviewed at each reporting period and will be recognised when the probability improves.



**ii) Defined benefit plans (gratuity benefits and leave encashment)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

**iii) Intangible asset under development**

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

**iv) Impairment of Non Financial Assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**v) Sales Return**

The Group accounts for sales returns accrual by recording sales return provision 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 sales return provision, the Group also recognises purchase return provision, an asset, (i.e., the right to the returned goods) which is included in Other Current assets 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.





**Entero Healthcare Solutions Private Limited**

**Notes forming part of the financial statements for the year ended 31 March 2022**

(Amount in Millions, unless otherwise stated)

**4. Standards issued but not effective:**

The amendments are proposed to be effective for reporting periods beginning on or after 01 April 2021:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies 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 (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Company believes there will be no impact on its financial statements of these amendments.

All amounts disclosed in financial statements and notes have been rounded off to the nearest INR millions as per requirement of Schedule III of the Act, unless otherwise stated.





Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2022  
(Amount in Millions, unless otherwise stated)

5 Property, plant and equipment\*

Particulars	Gross block					Depreciation		Net block	
	As at 1 April 2021	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2022	For the year 1 April 2021 31 March 2022	As at 31 March 2022	As at 31 March 2022
<b>Leased assets</b>									
Right to Use Asset (Refer note 48)	270.78	51.74	-	-	-	322.52	39.74	96.22	226.30
<b>Owned assets</b>									
Plant and machineries	44.35	1.50	-	-	-	45.85	2.84	7.20	38.65
Electrical Installations	66.00	1.98	-	-	-	67.98	6.37	15.77	52.21
Furniture and fixtures	62.32	4.25	-	-	-	66.57	6.15	15.53	51.04
Office equipment	13.86	0.63	-	-	-	14.49	2.70	6.91	7.58
Computer and peripherals	16.44	7.96	-	-	0.87	23.53	6.43	13.05	10.48
Vehicles	3.86	1.24	-	-	-	5.10	0.53	1.34	3.76
Leasehold improvements	120.20	5.39	-	-	-	125.59	17.40	44.57	81.02
<b>Total</b>	<b>597.81</b>	<b>74.69</b>	<b>-</b>	<b>-</b>	<b>0.87</b>	<b>671.63</b>	<b>82.16</b>	<b>200.59</b>	<b>471.04</b>

\*Property, plant and equipment pledged as security by the Company, refer note 23

Particulars	Gross block					Depreciation		Net block	
	As at 1 April 2020	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2021	For the year 1 April 2020 31 March 2021	As at 31 March 2021	As at 31 March 2021
<b>Leased assets</b>									
Right to Use Asset (Refer note 48)	202.81	67.97	-	-	-	270.78	34.26	56.48	214.30
<b>Owned assets</b>									
Plant and machineries	39.90	4.45	-	-	-	44.35	2.67	4.36	39.99
Electrical Installations	58.76	7.54	-	-	0.30	66.00	6.14	9.40	56.60
Furniture and fixtures	59.96	2.36	-	-	-	62.32	5.80	9.38	52.94
Office equipment	12.65	1.21	-	-	-	13.86	2.52	4.21	9.65
Computer and peripherals	9.81	6.63	-	-	-	16.44	3.89	6.63	9.81
Vehicles	3.86	-	-	-	-	3.86	0.46	0.81	3.05
Leasehold improvements	112.53	7.67	-	-	-	120.20	16.12	27.17	93.02
<b>Total</b>	<b>500.28</b>	<b>97.83</b>	<b>-</b>	<b>-</b>	<b>0.30</b>	<b>597.81</b>	<b>71.86</b>	<b>118.44</b>	<b>479.36</b>



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2022  
(Amount in Millions, unless otherwise stated)

6 Other intangible assets

Particulars	Gross block				Amortization		Net block	
	As at 1 April 2021	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
Computer Software	24.46	25.60	-	-	-	50.06	1.93	6.91
Total	24.46	25.60	-	-	-	50.06	1.93	6.91

Particulars	Gross block				Amortization		Net block	
	As at 1 April 2020	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Computer Software	5.38	19.08	-	-	-	24.46	0.33	1.93
Total	5.38	19.08	-	-	-	24.46	0.33	1.93

7 Intangible assets under development

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	22.40	22.55
Add : Additions during the year	3.14	18.91
Less: Capitalized during the year	25.00	19.06
Closing Balance	0.54	22.40

Intangible assets under development ageing schedule

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	Total
Projects in progress	0.54	-	-	0.54
Projects temporarily suspended	-	-	-	-

As at 31 March 2021

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	Total
Projects in progress	18.91	3.50	-	22.40
Projects temporarily suspended	-	-	-	-



Entero Healthcare Solutions Private Limited

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2022

(Amount in Millions, unless otherwise stated)

8 Investments in Subsidiaries

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	Value	No of shares	Value
Unquoted equity shares measured at cost (fully paid up)				
G.S.Pharmaceutical Distributors Private Limited	36,00,000	36.00	36,00,000	36.00
Novacare Healthcare Solutions Private Limited	1,10,00,000	110.00	1,10,00,000	110.00
Getwell Medicare Solution Private Limited	68,00,000	68.00	68,00,000	68.00
Galaxstar Pharma Distributors Private Limited	10,000	48.00	10,000	48.00
Chhabra Healthcare Solutions Private Limited	10,000	35.00	10,000	35.00
RSM Pharma Private Limited	15,00,000	47.70	15,00,000	47.70
Sundarlal Pharma Distributors Private Limited	10,000	23.00	10,000	23.00
Avenues Pharma Distributors Private Limited	10,000	0.10	10,000	0.10
Chirag Medicare Solutions Private Limited	1,00,000	1.00	1,00,000	1.00
Jaggi Enterprises Private Limited	10,000	0.10	10,000	0.10
Chethana Healthcare Solutions Private Limited	1,00,000	1.00	1,00,000	1.00
Vasavi Medicare Solutions Private Limited	10,000	0.10	10,000	0.10
SVMED Solutions Private Limited	10,000	0.10	10,000	0.10
Chethana Pharma Private Limited	3,00,000	3.00	3,00,000	3.00
Millennium Medisolutions Private Limited	10,000	0.10	10,000	0.10
Rada Medisolutions Private Limited	10,000	0.10	10,000	0.10
Sesha Balajee Medisolutions Private Limited	10,000	0.10	10,000	0.10
Barros Enterprises Private Limited	10,000	0.10	10,000	0.10
Chethana pharma Distributors Private Limited	10,000	0.10	10,000	0.10
Sree Venkateshwara Medisolutions Private Limited	10,000	0.10	10,000	0.10
CPD Pharma Private Limited	10,000	10.10	10,000	10.10
Calcutta Medisolutions Private Limited	10,000	0.10	10,000	0.10
Curever Pharma Private Limited	10,000	0.10	10,000	0.10
Rimedio Pharma Private Limited	10,000	0.10	10,000	0.10
Quomed Life Sciences Private Limited	10,000	0.10	10,000	0.10
Atreja Healthcare Solutions Pvt Ltd	10,000	0.10	-	-
Western Health Care Solutions Private Limited	15,000	0.15	-	-
City Pharma Distributors Private Limited	10,000	0.10	-	-
Zenex Software Solutions Private Limited	10,000	0.10	-	-
Swami Medisolutions Private Limited	10,000	0.10	-	-
New RRPD Private Limited	10,000	0.10	-	-
New Siva Agencies Private Limited	10,000	0.10	-	-
Sri Parshva Pharma Distributors Private Limited	10,000	0.10	-	-
Sri Rama Pharmaceutical Distributors Private Limited	5,000	0.05	-	-
Guarantee Commission	-	9.20	-	2.85
<b>Total (equity instruments)</b>	<b>2,36,70,000</b>	<b>394.30</b>	<b>2,35,80,000</b>	<b>387.05</b>

Particulars	As at 31 March 2022		As at 31 March 2021	
	No of shares	Value	No of shares	Value
Aggregate amount of unquoted investments before impairment	2,36,70,000	385.10	2,35,80,000	384.20
Aggregate amount of impairment in the value of investment	-	-	-	-





9 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Security Deposits	28.17	30.06
<b>Total</b>	<b>28.17</b>	<b>30.06</b>

10 Deferred tax assets/(liabilities) (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax asset on account of:		
Expenses provided but allowable in Income Tax on payment basis	2.28	2.72
On Ind AS Adjustment	7.59	6.99
Gratuity & Leave Encashment	4.18	0.97
Expected Credit Loss Provision	1.84	-
Unabsorbed depreciation	106.08	0.38
Unabsorbed loss	49.96	-
Deferred tax liability on account of:		
Timing difference between tax depreciation and depreciation charged in the books	(1.15)	(3.20)
<b>Net deferred tax assets(Liabilities)</b>	<b>170.78</b>	<b>7.85</b>
<b>Total</b>	<b>-</b>	<b>-</b>

10.1 Note (a): Summary of deferred tax assets/(liabilities)

Particulars	As at 31 March 2021	(Charged)/ Credited to P & L	(Charged)/ Credited to OCI	As at 31 March 2022
Timing difference between tax depreciation and depreciation charged in the books	(3.20)	2.05	-	(1.15)
Expenses provided but allowable in Income Tax on payment basis	2.72	(0.44)	-	2.28
On Ind AS 116 Adjustment	6.99	0.60	-	7.59
Gratuity & Leave Encashment	0.97	3.22	-	4.18
Expected Credit Loss Provision	-	1.84	-	1.84
Unabsorbed depreciation	0.38	105.70	-	106.08
Unabsorbed loss	-	49.96	-	49.96
<b>Net Net deferred tax assets/(liability)</b>	<b>7.85</b>	<b>162.93</b>	<b>-</b>	<b>170.78</b>

The company has unabsorbed business losses and depreciation which according to management will be used to set off taxable profit arising in the next few years from operations of the company. However, recognition of deferred tax assets has been restricted to the extent of deferred tax liabilities (Previous Year Rs Nil) due to absence of reasonable certainty of the ability to set off carry forward losses and unabsorbed depreciation against taxable profit in the immediate future. The position will be reviewed at each reporting period and will be recognised when the probability improves.

Particulars	As at 31 March 2022	As at 31 March 2021
11 Non current Tax assets (Net)		
Advance income tax (Net)	30.95	21.35
<b>Total</b>	<b>30.95</b>	<b>21.35</b>

12 Inventories\*

At lower of cost and net realizable value

Stock in trade [Include Goods-in-transit of INR 12.77 million (previous year INR 532.02 million)]

<b>Total</b>	<b>362.29</b>	<b>473.86</b>
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[(include one time inventory write down provision of INR 116.59 million( previous year INR 271.39 million)]

\*Inventory pledged as security by the Company, refer note 23

13 Current Investment

Investments in Mutual Funds (Quoted) at FVTPL:

<b>Total</b>	<b>-</b>	<b>-</b>
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Particulars	As at 31 March 2022	As at 31 March 2021
	No of units	No of units
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investment	-	-



14 Trade receivable

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
-Considered good	522.30	308.55
-Having significant increase in Credit Risk	7.07	1.47
	529.36	310.02
Less:- Expected loss allowances	(7.07)	(1.47)
<b>Total</b>	<b>522.30</b>	<b>308.55</b>
Further classified as:		
Receivable from related parties (Refer note 47)	276.89	129.87
Receivable from others	245.40	178.68
	<b>522.30</b>	<b>308.55</b>

Trade receivables ageing schedule

As at 31 March 2022

Particulars/Due from Date of transaction	(i) Undisputed Trade Receivable - Considered Good	(ii) Undisputed Trade Receivable -Which have significant increase in credit risk	(iii) Undisputed Trade Receivable - Considered Doubtful	(iv) Disputed Trade Receivable - Considered Good	(v) Disputed Trade Receivable - Considered Doubtful
Less Than 6 Months	310.32	-	-	-	-
6 Months to 1 Year	125.74	-	-	-	-
1-2 Years	86.24	1.24	-	-	-
2-3 Years	-	5.83	-	-	-
3 More Years	-	-	-	-	-
<b>Total</b>	<b>522.30</b>	<b>7.07</b>	-	-	-

As at 31 March 2021

Particulars/Due from Date of transaction	(i) Undisputed Trade Receivable - Considered Good	(ii) Undisputed Trade Receivable - Which have significant increase in credit risk	(iii) Undisputed Trade Receivable - Considered Doubtful	(iv) Disputed Trade Receivable - Considered Good	(v) Disputed Trade Receivable - Considered Doubtful
Less Than 6 Months	160.89	-	-	-	-
6 Months to 1 Year	125.21	-	-	-	-
1-2 Years	22.45	1.43	-	-	-
2-3 Years	-	0.04	-	-	-
3 More Years	-	-	-	-	-
<b>Total</b>	<b>308.55</b>	<b>1.47</b>	-	-	-

15 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
On current accounts	301.98	162.15
Cash on hand	0.04	0.04
<b>Total</b>	<b>302.02</b>	<b>162.19</b>

16 Bank balances other than Cash and cash equivalent

In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date

<b>Total</b>	<b>580.41</b>	<b>504.41</b>
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17 Current financial assets - Loans

Unsecured, considered good

Loans to related party (Refer Note 47)

<b>Total</b>	<b>3,196.45</b>	<b>2,429.67</b>
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Loans to subsidiary

Loans to other than subsidiary

<b>Total</b>	<b>3,195.75</b>	<b>2,428.98</b>
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18 Other financial assets

Interest accrued on ICD (Refer note 47)

Interest accrued on FD

Staff advance

<b>Total</b>	<b>312.11</b>	<b>239.94</b>
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19 Other current assets

Advance to suppliers

Less : Provision for doubtful advances

Balance with government authorities

Prepaid Expenses

Other Receivables

Provision for purchase return

<b>Total</b>	<b>297.10</b>	<b>245.69</b>
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## 20 Equity Share capital

### Particulars

#### a. Authorised Share Capital

40,00,000 ( 31 March 2021: 2,50,000) Equity Shares of INR 10 each  
Total

As at 31 March 2022	As at 31 March 2021
40.00	2.50
<b>40.00</b>	<b>2.50</b>

#### b. Issued, Subscribed and Paid-up:

38,50,200 ( 31 March 2021: 1,00,200) Equity Shares of INR 10 each  
Total

38.50	1.00
<b>38.50</b>	<b>1.00</b>

#### c. Reconciliation of equity shares outstanding at the beginning and at the end of the year

##### Particulars

Outstanding at the beginning of the year  
Add: Issued during the year  
Outstanding at the end of the year

As at 31 March 2022		As at 31 March 2021	
No of shares	Amount	No of shares	Amount
1,00,200	1.00	1,00,200	1.00
37,50,000	37.50	-	-
<b>38,50,200</b>	<b>38.50</b>	<b>1,00,200</b>	<b>1.00</b>

#### d. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

#### e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

##### Name of the shareholder

Mr. Prabhat Agrawal  
Mr. Prem Sethi

As at 31 March 2022		As at 31 March 2021	
No of shares	%	No of shares	%
25,60,000	66.49	60,000	59.90
12,90,000	33.50	40,000	39.90

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### f. Shareholding of Promoters at the end of the year

##### Name of the Promoter

Mr. Prabhat Agrawal  
Mr. Prem Sethi

As at 31 March 2022			As at 31 March 2021		
No. of Share	% of Total Shares	% Change During the Period	No. of Share	% of Total Shares	% Change During the Period
25,60,000	66.49	41.67	60,000	59.90	-
12,90,000	33.50	31.25	40,000	39.90	-

g. No class of shares have been issued as bonus shares or for consideration other than cash by the company during the period of two years immediately preceding the current period end.

h. No class of shares have been bought back by the company during the period of two years immediately preceding the current year end.

#### i. Private Placement allotment

During the year ended 31 March 2022, the Company has issued and allotted 37,50,000 equity shares of face value Rs 10/- each to the eligible equity shareholders at an issue price of Rs. 10/- per Equity Share aggregating to Rs. 37.50 millions.

## 21 Instruments entirely equity in nature

### Preference share capital

#### Particulars

#### a. Authorised Share Capital

##### 0.0001% Compulsory Convertible Preference shares (CCPS)

Series A1 CCPS (March 22 : 49,54,99,900 ; March 21 : 39,54,99,900) of INR 10 each  
Series A2 CCPS (March 22 : 16,94,99,900 ; March 21 : 16,94,99,900) of INR 10 each  
Series A3 CCPS (March 22 : 35,00,000 ; March 21 : 29,00,000 ) of INR 10 each  
Series A4 CCPS (March 22 : 3,18,50,200 ; March 21 : 3,18,50,200) of INR 10 each  
Total

As at 31 March 2022	As at 31 March 2021
4,955.00	3,955.00
1,695.00	1,695.00
35.00	29.00
318.50	318.50
<b>7,003.50</b>	<b>5,997.50</b>

#### b. Issued, Subscribed and Paid-up:

Series A1 CCPS (March 22 : 44,19,99,900 ; March 21 : 368,999,900) of INR 10 each  
Series A2 CCPS (March 22 : 15,09,26,729 ; March 21 : 125,999,900 ) of INR 10 each  
Series A3 CCPS (March 22 : 29,00,000 ; March 21 : 29,00,000) of INR 10 each  
Series A4 CCPS (March 22 : 2,31,63,347 ; March 21 : 19,212,500) of INR 10 each  
Total

4,420.00	3,690.00
1,509.27	1,260.00
29.00	29.00
231.63	192.13
<b>6,189.90</b>	<b>5,171.12</b>





**c. Reconciliation of preference shares**

outstanding at the beginning and at the end of

Particulars

Outstanding at the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

As at 31 March 2022		As at 31 March 2021	
No of shares	Amount	No of shares	Amount
51,71,12,300	5,171.12	43,87,12,300	4,387.12
10,18,77,676	1,018.78	7,84,00,000	784.00
<b>61,89,89,976</b>	<b>6,189.90</b>	<b>51,71,12,300</b>	<b>5,171.12</b>

**d. Rights, preferences and restrictions attached to shares**

0.0001% Compulsory Convertible Preference shares (CCPS)

Terms of Conversion :

(a) The holders of the CCPS may convert the CCPS in whole or part into 1 (one) Equity Share at any time before the expiry of 19 (nineteen) years from the date of issuance of the same subject to the adjustments as mentioned in Articles of Association, and the provisions of the Shareholders' Agreement. In the event the conversion of CCPS entitles the holder of CCPS to any fraction of an Equity Share, then such fraction shall be rounded up to the nearest whole number.

(b) The holders of CCPS shall, at any time prior to 19 (nineteen) years from the date of issuance of the same, be entitled to call upon the Company to convert all or any of the CCPS. The CCPS, or any of them, if not converted earlier, shall automatically convert into Equity Shares at the then applicable conversion rate.

**Senior Rights:** The holders of A1 CCPS, A2 CCPS and A3 CCPS shall rank senior to Series A4 CCPS and all other preference shares and other instruments that are outstanding and which may be issued by the Company from time to time.

**Meeting and voting rights:** The holders of CCPS shall be entitled to attend meetings of all Shareholders of the Company and, will be entitled to such voting rights on an As if Converted Basis, as may be permissible under Applicable Law. Accordingly, but subject to adjustments as set forth herein, the holders of CCPS shall be entitled to the same number of votes for each CCPS as a holder of 1 (one) Equity Share would have on each Equity Share held, provided however that in the event of any adjustment in conversion the number of votes associated with each CCPS will change accordingly. The holders of CCPS shall be entitled to vote on all such matters which affect their rights directly or indirectly.

**e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder

As at 31 March 2022		As at 31 March 2021	
No of shares	%	No of shares	%
Series A1 CCPS are issued to Orbimed Asia III Mauritius Limited	44,19,99,900	36,89,99,900	100.00%
Series A2 CCPS are issued to I M Investments Trust	15,09,26,729	12,59,99,900	100.00%
Series A3 CCPS are issued to Mr. Prabhat Agrawal	17,40,000	17,40,000	60.00%
Series A3 CCPS are issued to Mr. Prem Sethi	11,60,000	11,60,000	40.00%
Series A4 CCPS are issued to Novacare Drug Specialities Private Limited	57,49,593	48,00,000	24.82%
Series A4 CCPS are issued to K E Prakash	53,90,244	45,00,000	23.42%
Series A4 CCPS are issued to Mr. Petros Diamantides	20,51,287	17,12,500	8.91%
Series A4 CCPS are issued to R Prashanth	17,96,748	15,00,000	7.81%
Series A4 CCPS are issued to Manoj K Sanghani	16,47,019	13,75,000	7.16%
Series A4 CCPS are issued to Vikram Aditya Ambre	16,47,019	13,75,000	7.16%
Series A4 CCPS are issued to Hemant Barros	11,97,832	10,00,000	5.20%
Series A4 CCPS are issued to Millennium Medicare Private Limited	11,97,832	10,00,000	5.20%

**f. Shareholding of Promoters at the end of the year**

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	No. of Share	% of Total Shares	% Change During the Period	No. of Share	% of Total Shares	% Change During the Period
Mr. Prabhat Agrawal	17,40,000	60.00%	-	17,40,000	60.00%	-
Mr. Prem Sethi	11,60,000	40.00%	-	11,60,000	40.00%	-

**h. Private Placement allotment**

During the year ended 31 March 2022, the Company has issued and allotted 1,50,000 preference shares ( Series A4 CCPS) of face value Rs 10/- each to the eligible preference shareholders at an issue price of Rs 10/- per preference share aggregating to Rs. 1.5 million.

**h. Right Issue**

During the year ended 31 March 2022, the Company has issued and allotted 10,17,27,676 preference shares ( Series A1 CCPS: 7,30,00,000, Series A2 CCPS: 2,49,26,829, Series A4 CCPS: 3,80,0,847 ) of face value Rs 10/- each to the eligible preference shareholders at an issue price of Rs 10 per preference share aggregating to Rs. 1017.28 million.

**22 Other equity**

**i) Retained Earnings**

Particulars

Opening balance

Add: Loss for the year

Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)

Closing balance

As at 31 March 2022	As at 31 March 2021
(307.75)	(125.91)
(408.47)	(181.52)
0.12	0.32
<b>(716.35)</b>	<b>(307.75)</b>

**23 Current Borrowings**

Particulars

Secured

Term Loan

From Financial Institution \*

Total

As at 31 March 2022	As at 31 March 2021
300.00	-
<b>300.00</b>	<b>-</b>

\*(Rate of Interest : 12.50%, Nature of security:- First charge on all current assets and movable fixed assets and Cash collateral of 5.0% in the form of a lien marked fixed deposit placed in a bank )



## 24 Lease Liability

Particulars	As at 31 March 2022		As at 31 March 2021	
	Long term	Short term	Long term	Short term
At amortised cost				
Lease Liability	221.72	33.24	205.59	26.25
<b>Total</b>	<b>221.72</b>	<b>33.24</b>	<b>205.59</b>	<b>26.25</b>

## 25 Provisions

Particulars	As at 31 March 2022		As at 31 March 2021	
	Long term	Short term	Long term	Short term
a) Provision for employee benefits (Refer note 39)				
Provision for gratuity (unfunded)	7.46	0.02	3.71	0.01
Provision for leave encashment (unfunded)	8.61	2.17	5.32	1.45
b) Other Provision				
Provision for Sales return	-	19.63	-	7.11
<b>Total Provisions</b>	<b>16.07</b>	<b>21.82</b>	<b>9.03</b>	<b>8.58</b>

## 26 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises	3.73	1.72
Total outstanding dues of creditors other than micro enterprises and small enterprises*	343.77	127.68
<b>Total trade payables</b>	<b>347.50</b>	<b>129.40</b>

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	3.73	1.72
<b>Total</b>	<b>3.73</b>	<b>1.72</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

\* Refer note 47 for trade payables to related parties

## Trade Payables ageing schedule

For the year ended 31 March 2022

Particulars	Outstanding for Following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	3.73	-	-	-	3.73
Others	343.77	-	-	-	343.77
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

For the Period ended March 2021

Particulars	Outstanding for Following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	1.72	-	-	-	1.72
Others	127.68	-	-	-	127.68
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-

## 27 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Employee liabilities	31.74	24.71
Other Financial Liabilities	39.32	31.92
<b>Total other financial liabilities</b>	<b>71.06</b>	<b>56.63</b>

## 28 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory due payable	8.14	4.16
Deferred Income	9.20	2.85
Advance from customers	0.03	20.20
<b>Total other current liabilities</b>	<b>17.37</b>	<b>27.21</b>





29 Revenue from operations

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Sale of Traded goods	1,328.10	998.96
Other operating revenue	44.76	49.72
<b>Total revenue from operations</b>	<b>1,372.86</b>	<b>1,048.68</b>
<b>Revenue based on Geography</b>		
Domestic	1,372.86	1,048.68
Export	-	-
<b>Total</b>	<b>1,372.86</b>	<b>1,048.68</b>
<b>Revenue based on timing of recognition</b>		
Revenue recognition at a point in time	1,372.86	1,048.68
Revenue recognition at point over time	-	-
<b>Total</b>	<b>1,372.86</b>	<b>1,048.68</b>
<b>Details of sales return liabilities:</b>		
Balance at the beginning of the year	7.11	14.63
Provision made during the year, net of reversals	19.63	7.11
Provision used during the year	(7.11)	(14.63)
<b>Balance at the end of the year</b>	<b>19.63</b>	<b>7.11</b>

30 Other income

Interest income		
- on fixed deposits designated as amortized cost	28.34	22.23
- on intercorporate deposit (Refer note 47)	229.92	204.48
- other interest income	1.29	1.39
- Interest on unwinding of security deposits	1.37	1.07
Net gain or loss on foreign currency transaction and translation	1.58	3.83
Miscellaneous income	6.22	1.28
<b>Total other income</b>	<b>268.72</b>	<b>234.28</b>

31 Purchase of Stock-in-trade

Purchases of Stock-in-trade	1,172.79	1,180.75
<b>Total</b>	<b>1,172.79</b>	<b>1,180.75</b>

32 Changes in inventories of stock-in-trade

Inventories at the beginning of the year		
-Stock in trade	473.86	271.15
	<b>473.86</b>	<b>271.15</b>
Less: Inventories at the end of the year		
-Stock in trade	(362.29)	(473.86)
	<b>(362.29)</b>	<b>(473.86)</b>
<b>Net decrease/ (increase)</b>	<b>111.57</b>	<b>(202.71)</b>





**33 Employee benefits expense**

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Salaries, wages, bonus and other allowances	348.09	212.55
Contribution to Provident Fund and other funds	9.56	6.05
Leave Obligation	5.29	4.73
Gratuity Expenses	3.64	1.94
Staff welfare expenses	12.62	6.61
<b>Total employee benefits expense</b>	<b>379.20</b>	<b>231.88</b>

**34 Finance costs**

On Bank Loan	29.17	-
Interest on delay in payment of taxes	0.05	0.02
Processing Fees	1.00	-
Bank Charges	0.31	0.84
Other Interest Expenses	0.04	0.06
Interest on Lease Liabilities	22.33	21.66
<b>Total finance costs</b>	<b>52.90</b>	<b>22.58</b>

**35 Depreciation and amortization expense**

Depreciation (Refer note 5)	82.16	71.86
Amortization (Refer note 6)	4.97	1.60
<b>Total depreciation and amortization expense</b>	<b>87.13</b>	<b>73.46</b>

**36 Other expenses**

Rent	2.57	6.01
Rates and taxes	0.84	1.98
Legal and professional charges	72.74	51.72
Travelling expenses	27.00	11.39
Power and fuel	5.70	5.29
Repairs and maintenance	3.91	2.90
Distribution Cost	42.95	33.03
Printing and stationery	3.19	2.32
Communication expenses	1.62	1.62
Business promotion expenses	44.24	15.25
IT Expenses	8.96	4.36
Subscription Expenses	2.34	1.25
Net Impairment losses on trade receivables/Financial assets	5.60	1.23
Auditor's remuneration (Refer note below)	0.82	0.91
Housekeeping Expenses	1.51	0.54
Sign on Amount	16.33	6.00
Office Aircon Charges	0.61	0.45
Insurance	5.31	1.52
Miscellaneous expenses	0.22	10.75
<b>Total other expenses</b>	<b>246.46</b>	<b>158.52</b>

\*Note : The following is the break-up of Auditors remuneration (exclusive of taxes)

**As auditor:**

Statutory audit	0.71	0.91
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**In other capacity:**

Tax audit	0.11	-
<b>Total</b>	<b>0.82</b>	<b>0.91</b>

**37 Income Tax**

**Current tax**

Current tax on profits for the period	-	-
Adjustments for current tax of prior periods	-	-

**Total Current Tax**

**Deferred tax**

Deferred tax expense/ (income)

**Total tax expense**

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Profit attributable to the equity holders of the Company (A)	(408.47)	(181.52)
Weighted Average number of shares issued for Basic EPS (B)	15,59,104	1,00,200
Adjustment for calculation of Diluted EPS (number of share) (C)	-	-
<b>Basic EPS in INR</b>	<b>(261.99)</b>	<b>(1,811.60)</b>
<b>Diluted EPS in INR</b>	<b>(261.99)</b>	<b>(1,811.60)</b>

**38 Earnings per share**

**Particulars**

Profit attributable to the equity holders of the Company (A)
Weighted Average number of shares issued for Basic EPS (B)
Adjustment for calculation of Diluted EPS (number of share) (C)
<b>Basic EPS in INR</b>
<b>Diluted EPS in INR</b>



### 39 Employee benefits

#### I. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

- Provident Fund
- Employee state insurance fund
- Labour welfare fund

The expense recognised during the period towards defined contribution plan -

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Contribution to Provident Fund	9.08	5.78
Employers Contribution to Employee state insurance	0.45	0.26
Employers Contribution to Labour welfare fund	0.03	0.02

#### II. Defined benefit plans

##### Gratuity

The Company has a funded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

Sr No	Defined benefit plans	For the Year ended 31 March 2022	For the Year ended 31 March 2021
		Gratuity (Unfunded)	Gratuity (Unfunded)
I	Expenses recognised in statement of profit and loss during the year:		
	Current service cost	3.30	1.79
	Net interest cost / (income) on the net defined benefit liability / (asset)	0.34	0.15
	<b>Total expenses</b>	<b>3.64</b>	<b>1.94</b>
II	Included in other comprehensive income		
	Amount recognized in OCI, Beginning of year	(0.02)	(0.34)
	Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations	(0.20)	(0.03)
	Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations	0.32	0.35
	Actuarial (gains)/ losses due to experience on defined benefit obligations	-	-
	<b>Total Remeasurement recognized in OCI</b>	<b>0.12</b>	<b>0.32</b>
	<b>Total Recognized in OCI, End of period</b>	<b>0.11</b>	<b>(0.02)</b>
III	Net liability recognised as at balance sheet date:		
	Present value of defined benefit obligation	(7.48)	(3.72)
	<b>Deficit</b>	<b>(7.48)</b>	<b>(3.72)</b>



<b>IV</b>	<b>Movements in present value of defined benefit obligation</b>		
	Present value of defined benefit obligation at the beginning of the year	3.72	1.46
	Current service cost	3.30	1.79
	Interest cost	0.34	0.15
	Actuarial loss	0.12	0.32
	<b>Present value of defined benefit obligation at the end of the year</b>	<b>7.48</b>	<b>3.72</b>
<b>V</b>	<b>Maturity profile of defined benefit obligation</b>		
<b>a</b>	Expected cash flows over the next years (valued on undiscounted basis):		
	1st Following Year	0.02	0.01
	2nd Following Year	0.78	0.01
	3rd Following Year	0.89	0.48
	4th Following Year	1.06	0.59
	5th Following Year	1.22	0.67
	Sum of Years 6 To 10	4.49	2.31
	Sum of Years 11 and above	3.46	1.51
<b>VI</b>	<b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
<b>1</b>	Increase / (decrease) on present value of defined benefit obligation at the end of the year		
	(i) +1% increase in discount rate	(0.44)	(0.22)
	(ii) -1% decrease in discount rate	0.48	0.24
	(iii) +1% increase in rate of compensation levels	0.37	0.19
	(iv) -1% decrease in rate of compensation levels	(0.34)	(0.17)
<b>2</b>	<b>Sensitivity analysis method</b>		
	The sensitivity analysis have been determined based on reasonably possible changes of		

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.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

<b>VII</b>	<b>Actuarial assumptions:</b>	<b>As at 31 March 2022</b>	<b>As at 31 March 2021</b>
<b>1</b>	Discount rate	6.70%	6.28%
<b>2</b>	Expected Rate of increase in compensation levels	8.00%	6.00%
<b>3</b>	Withdrawal Rate	20.00%	20.00%
<b>4</b>	Mortality Rate During Employment		
		IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
<b>6</b>	Retirement Age	58 years	58 years

### III Leave Encashment

The amount recognized as an expense in respect of compensated absences is 5.29 million (March 21: INR 47.33 million)





#### 40 Contingent liabilities & commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated Amount of contracts remaining to be executed on capital account	-	3.00
Contingencies: Outstanding credit facilities against corporate guarantees given in respect of credit facilities by bankers of subsidiary companies (sanction limit of INR 3790.95 million March 22 ; INR 1950 Million March 21) (Refer Note 45)	2,563	1,384

#### 41 Contingent commitments

There is no contingent commitments.

#### 42 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The wholetime director of the Company acts as the (CODM). The Company operates only in one business segment i.e. trading of pharmaceutical and surgical products and hence, the Company has only one separate reportable segments as per Ind AS 108 "Operating Segments".

#### 43 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirement. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and 31 March 2021.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Borrowings</b>		
Long term and Short term borrowings	300.00	-
Less: cash and cash equivalents	(302.02)	-
<b>Adjusted net debt</b>	<b>(2.02)</b>	-
Total Equity	12.47	-
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.16)</b>	-

#### 44 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.



#### 45 Fair value measurements

##### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities as at 31 March 2022</b>								
<b>Non-current financial assets</b>								
Investments in subsidiaries	-	-	394.30	394.30	-	-	394.30	394.30
Other financial assets	-	-	28.17	28.17	-	-	28.17	28.17
	-	-	422.47	422.47	-	-	422.47	422.47
<b>Current financial assets</b>								
Investment	-	-	-	-	-	-	-	-
Trade receivables	-	-	522.30	522.30	-	-	522.30	522.30
Cash and cash equivalents	-	-	302.02	302.02	-	-	302.02	302.02
Bank balances other than cash and cash equivalent	-	-	580.41	580.41	-	-	580.41	580.41
Loans	-	-	3,196.45	3,196.45	-	-	3,196.45	3,196.45
Other financial assets	-	-	312.11	312.11	-	-	312.11	312.11
<b>Total</b>	-	-	4,913.29	4,913.29	-	-	4,913.29	4,913.29

##### Non-current financial liabilities

Lease Liabilities	-	-	221.72	221.72	-	-	221.72	221.72
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##### Current financial liabilities

Borrowings	-	-	300.00	300.00	-	-	300.00	300.00
Lease Liabilities	-	-	33.24	33.24	-	-	33.24	33.24
Trade payables	-	-	347.50	347.50	-	-	347.50	347.50
Other financial liabilities	-	-	71.06	71.06	-	-	71.06	71.06
<b>Total</b>	-	-	973.52	973.52	-	-	973.52	973.52

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities as at 31 March 2021</b>								
<b>Non-current financial assets</b>								
Investments in subsidiaries	-	-	387.05	387.05	-	-	387.05	387.05
Other financial assets	-	-	30.06	30.06	-	-	30.06	30.06
	-	-	417.11	417.11	-	-	417.11	417.11
<b>Current financial assets</b>								
Investment	-	-	-	-	-	-	-	-
Trade receivables	-	-	308.55	308.55	-	-	308.55	308.55
Cash and cash equivalents	-	-	162.19	162.19	-	-	162.19	162.19
Bank balances other than cash and cash equivalent	-	-	504.41	504.41	-	-	504.41	504.41
Loans	-	-	2,429.67	2,429.67	-	-	2,429.67	2,429.67
Other financial assets	-	-	239.94	239.94	-	-	239.94	239.94
<b>Total</b>	-	-	4,061.87	4,061.87	-	-	4,061.87	4,061.87
<b>Non-current financial liabilities</b>								
Lease Liabilities	-	-	205.59	205.59	-	-	205.59	205.59
<b>Current financial liabilities</b>								
Lease Liabilities	-	-	26.25	26.25	-	-	26.25	26.25
Trade payables	-	-	1.72	1.72	-	-	1.72	1.72
Other financial liabilities	-	-	129.40	129.40	-	-	129.40	129.40
<b>Total</b>	-	-	56.63	56.63	-	-	56.63	56.63
	-	-	419.59	214.00	-	-	214.00	214.00

B. The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including deposits, creditors for capital expenditure, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

##### C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

#### 46 Financial Risk Management

The company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the company. Together they help in achieving the business goals and objectives consistent with the company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committees reviews the adequacy and effectiveness of the risk management policy and internal control system. The company's financial risk management is an integral part of how to plan and execute its business strategies.

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

##### (A) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

##### i) Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

Summary of the company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
-Considered good	522.30	308.55
-Having significant increase in Credit Risk	7.07	1.47
<b>Gross Trade Receivables</b>	<b>529.36</b>	<b>310.02</b>
Less: Impairment Loss	(7.07)	(1.47)
<b>Net Trade Receivables</b>	<b>522.30</b>	<b>308.55</b>

On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss. The company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the company's historical experience for customers. 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 is based on the ageing of the receivable days and the rates as given in the provision matrix.

##### ii) Loans and financial assets measured at amortized cost

Loans and advances given comprises of inter company loans hence the risk of default from these companies are remote. The Company monitors each loans and advances given and makes any specific provision wherever required.

##### iii. Cash and bank balances

The company held cash and cash equivalent and other bank balance of INR 302.02 million as at 31 march 2022 (31 March 2021: INR 16.22 million). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

##### iv. Others

Apart from trade receivables, loans and cash and bank balances, the company has no other financial assets which carries any significant credit risk.





**(B) Liquidity risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

**(i) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Contractual maturities of financial liabilities 31 March 2022		1 year or less	1-5 years	More than 5 years	Total
Lease Liabilities		59.74	218.34	61.42	339.50
Trade Payables		347.50	-	-	347.50
Borrowings		300.00	-	-	300.00
Other financial liabilities		71.06	-	-	71.06
<b>Total</b>		<b>778.30</b>	<b>218.34</b>	<b>61.42</b>	<b>1,058.06</b>

Contractual maturities of financial liabilities 31 March 2021		1 year or less	1-5 years	More than 5 years	Total
Lease Liabilities		47.22	190.38	74.99	312.58
Trade Payables		26.25	-	-	26.25
Borrowings		-	-	-	-
Other financial liabilities		56.63	-	-	56.63
<b>Total</b>		<b>130.09</b>	<b>190.38</b>	<b>74.99</b>	<b>395.46</b>

**(C) Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company's exposure to, and management of, these risks is explained below.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company caters mainly to the Indian Market. Most of the transactions are denominated in the company's functional currency i.e. Rupees. Hence the company is not materially exposed to Foreign Currency Risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. There are no borrowings in the Company and hence not exposed to interest rate risk.

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	300.00	-
Fixed rate borrowings	-	-

**Sensitivity:**

A change of 100 basis points in interest rates would have following impact on profit before tax and equity -

Particulars	As at 31 March 2022	As at 31 March 2021
Interest rates – decrease by 100 basis points	2.22	-
Interest rates – increase by 100 basis points	(2.22)	-



47 Related Party Disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Fellow subsidiary companies	Novacare Healthcare Solutions Private Limited
	G.S.Pharmaceutical Distributors Private Limited
	R S M Pharma Private Limited
	Getwell Medicare Solutions Private Limited
	Sundarlal Pharma Distributors Private Limited
	Chhabra Healthcare Solutions Private Limited
	Galaxystar Pharma Distributors Private Limited
	Avenues Pharma Distributors Private Limited
	Chirag Medicare Solutions Private Limited
	Jaggi Enterprises Private Limited
	Chethana Healthcare Solutions Private Limited
	Vasavi Medicare Solutions Private Limited
	SVMED Solutions Private Limited
	Chethana Pharma Private Limited
	Millennium Medisolutions Private Limited
	Rada Medisolutions Private Limited
	Sesha Balajee Medisolutions Private Limited
	Barros Enterprises Private Limited
	Chethana Pharma Distributors Private Limited
	Sree Venkateshwara Medisolutions Private Limited
	CPD Pharma Private Limited
	Calcutta Medisolutions Private Limited
	Curever Pharma Private Limited
	Western Healthcare Solutions Private Limited
	Atreja Healthcare Solutions Private Limited
	City Pharma Distributors Private Limited
	Swami Medisolutions Private Limited
	New Siva Agencies Private Limited
	New RRPD Private Limited
	Sri Rama Pharmaceutical Distributors Private Limited
	Sri Parshva Pharma Distributors Private Limited
Key Management Personnel and their relative:	Prabhat Agrawal (Managing Director)
	Prem Sethi (Director)
	Sunny Sharma (Director)
	Jayant Prakash (CS)
	Arun Sadhanandham (Director)
	Vipul Desai (Director)

B. Details of related party transactions:

Nature of Transaction	Name of the related party	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Purchase of stock in trade	Novacare Healthcare Solutions Private Limited	8.26	3.00
	G.S.Pharmaceutical Distributors Private Limited	3.26	-
	Chhabra Healthcare Solutions Private Limited	8.77	29.04
	Jaggi Enterprises Private Limited	2.04	0.02
	Calcutta Medisolutions Private Limited	1.79	-
	Atreja Healthcare Solutions Private Limited	0.78	-
	Galaxystar Pharma Distributors Private Limited	9.75	-
	Curever Pharma Private Limited	0.93	-
	Millennium Medisolutions Private Limited	62.15	21.42
Sale of stock in trade	Chhabra Healthcare Solutions Private Limited	2.19	4.13
	R S M Pharma Private Limited	0.08	2.44
	Getwell Medicare Solution Private Limited	3.05	21.52
	Novacare Healthcare Solutions Private Limited	93.56	151.19
	Avenues Pharma Distributors Private Limited	2.20	1.45
	Barros Enterprises Pvt Ltd	2.24	2.39
	Chirag Medicare Solutions Private Limited	0.18	0.14
	Galaxystar Pharma Distributors Private Limited	0.50	0.51
	G.S.Pharmaceutical Distributors Private Limited	6.30	2.90
	Jaggi Enterprises Private Limited	7.22	6.69
	Millennium Medisolutions Private Limited	7.13	5.12
	Rada Medisolutions Private Limited	5.56	5.77
	Sundarlal Pharma Distributors Private Limited	0.11	(0.24)
	SVMED Solutions Private Limited	5.54	9.49
	Vasavi Medicare Solutions Private Limited	0.29	1.83
	Sree Venkateshwara Medisolutions Private Limited	1.08	2.70
	Curever Pharma Private Limited	6.16	-
	Western Healthcare Solutions Private Limited	0.30	-
	Atreja Healthcare Solutions Private Limited	0.53	-
	City Pharma Distributors Private Limited	0.20	-
	New Siva Agencies Private Limited	0.43	0.04
	Sesha Balajee Medisolutions Pvt Ltd	1.63	2.37



Nature of Transaction	Name of the related party	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Loans Given	Novacare Healthcare Solutions Private Limited	180.00	55.00
	G.S.Pharmaceutical Distributors Private Limited	55.50	-
	R S M Pharma Private Limited	34.00	20.00
	Galaxystar Pharma Distributors Private Limited	16.00	38.50
	Sundarlal Pharma Distributors Private Limited	5.00	-
	Getwell Medicare Solution Private Limited	20.00	-
	Avenues Pharma Distributors Private Limited	10.00	28.00
	Barros Enterprises Private Limited	-	55.00
	Chethana Healthcare Solutions Private Limited	3.00	3.00
	Atreja Healthcare Solutions Private Limited	36.10	-
	City Pharma Distributors Private Limited	34.70	-
	New RRPD Private Limited	59.30	-
	New Siva Agencies Private Limited	65.90	-
	Sri Parshva Pharma Distributors Private Limited	547.09	-
	Sri Rama Pharmaceutical Distributors Private Limited	122.03	-
	Swami Medisolutions Private Limited	62.30	-
	Western Healthcare Solutions Pvt Ltd	187.50	-
	Chethana Pharma Private Limited	10.00	-
	Chirag Medicare Solutions Private Limited	10.00	3.98
	Jaggi Enterprises Private Limited	5.00	8.00
	Millennium Medisolutions Private Limited	30.00	65.00
	Rada Medisolutions Private Limited	6.00	28.90
	Sesha Balajee Medisolutions Pvt Ltd	13.10	53.75
	SVMED Solutions Private Limited	53.70	49.00
	Vasavi Medicare Solutions Private Limited	14.50	23.00
	Calcutta Medisolutions Private Limited	10.64	6.76
	Curever Pharma Private Limited	287.40	8.00
	Sree Venkateshwara Medisolutions Private Limited	10.40	24.95
	Chethana Pharma Distributors Private Limited	0.50	10.50
	CPD Pharma Private Limited	9.49	10.95
Loans Repaid	Novacare Healthcare Solutions Private Limited	203.95	14.42
	G.S.Pharmaceutical Distributors Private Limited	-	-
	Getwell Medicare Solution Private Limited	20.00	55.15
	Sundarlal Pharma Distributors Private Limited	5.00	26.35
	Chethana Healthcare Solutions Private Limited	3.00	-
	Chethana Pharma Private Limited	10.00	163.83
	Chirag Medicare Solutions Private Limited	30.00	-
	Galaxystar Pharma Distributors Private Limited	31.25	99.84
	Rada Medisolutions Private Limited	1.00	-
	R S M Pharma Private Limited	86.06	4.36
	Jaggi Enterprises Private Limited	-	69.27
	Vasavi Medicare Solutions Private Limited	33.73	19.22
	Barros Enterprises Private Limited	-	29.47
	Millennium Medisolutions Private Limited	-	82.08
	Curever Pharma Private Limited	191.20	-
	Sesha Balajee Medisolutions Private Limited	32.49	-
	Sri parshva Pharma Distributors Private limited	303.41	-
	SVMED Solutions Private Limited	84.69	-
	Western Healthcare Solutions Private Limited	50.00	-
	Barros Enterprises Private Limited	45.00	-





Nature of Transaction	Name of the related party	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Interest Income	Novacare Healthcare Solutions Private Limited	21.68	17.35
	G.S.Pharmaceutical Distributors Private Limited	7.94	5.61
	R S M Pharma Private Limited	13.89	12.37
	Galaxystar Pharma Distributors Private Limited	6.99	11.63
	Sundarlal Pharma Distributors Private Limited	6.42	7.65
	Chhabra Healthcare Solutions Private Limited	6.48	6.62
	Getwell Medicare Solution Private Limited	7.50	10.12
	Avenues Pharma Distributors Private Limited	25.64	24.01
	Barros Enterprises Pvt Ltd	8.01	10.80
	Chethana Healthcare Solutions Private Limited	5.02	4.87
	Chethana Pharma Private Limited	7.96	16.37
	Chirag Medicare Solutions Private Limited	7.97	8.65
	Jaggi Enterprises Private Limited	12.38	15.96
	Millennium Medisolutions Private Limited	15.22	15.25
	Rada Medisolutions Private Limited	7.51	6.81
	Sesha Balajee Medisolutions Pvt Ltd	9.83	9.45
	SVMED Solutions Private Limited	8.58	9.59
	Vasavi Medicare Solutions Private Limited	9.00	10.02
	Calcutta Medisolutions Private Limited	0.90	0.02
	Curever Pharma Private Limited	11.31	0.02
	Sree Venkateshwara Medisolutions Private Limited	2.29	0.71
	Chethana Pharma Distributors Private Limited	0.85	0.41
	CPD Pharma Private Limited	1.56	0.02
	Western Healthcare Solutions Private Limited	12.45	-
	Atreja Healthcare Solutions Private Limited	1.97	-
	City Pharma Distributors Private Limited	1.22	-
	Swami Medisolutions Private Limited	1.16	-
	New Silva Agencies Private Limited	1.53	-
	New RRPD Private Limited	1.15	-
	Sri Rama Pharmaceutical Distributors Private Limited	0.47	-
	Sri Parshva Pharma Distributors Private Limited	4.90	-
Remuneration Paid	Prabhat Agrawal	31.20	28.78
	Prem Sethi	15.78	12.88
	Jayant Prakash	1.58	-
Commission Expense	Novacare Healthcare Solutions Private Limited	5.86	-
Commission Income	Curever Pharma Private Limited	2.64	-
Corporate Guarantees Given	Novacare Healthcare Solutions Private Limited	500.00	500.00
	Getwell Medicare Solution Private Limited	150.00	150.00
	Avenues Pharma Distributors Private Limited	350.00	300.00
	Chethana Healthcare Solutions Private Limited	50.00	50.00
	Chirag Medicare Solutions Private Limited	150.00	150.00
	R S M Pharma Private Limited	250.00	150.00
	G.S.Pharmaceutical Distributors Private Limited	80.00	80.00
	Chhabra Healthcare Solutions Private Limited	50.00	50.00
	Sundarlal Pharma Distributors Private Limited	70.00	70.00
	Galaxystar Pharma Distributors Private Limited	150.00	100.00
	SVMED Solutions Private Limited	150.00	-
	Vasavi Medicare Solutions Private Limited	150.00	-
	Barros Enterprises Private Limited	67.00	-
	Sesha Balajee Medisolutions Pvt Ltd	150.00	-
	Jaggi Enterprises Private Limited	120.00	100.00
	Western Healthcare Solutions Private Limited	80.00	-
	Chethana Pharma Private Limited	150.00	150.00
	Sri Rama Pharmaceutical Distributors Private Limited	226.62	-
	Sri Parshva Pharma Distributors private limited	547.33	-
	Millennium Medisolutions Private Limited	150.00	100.00
	Curever Pharma Private Limited	200.00	-



## C. Details of balances outstanding for related party transactions:

Nature of Transaction	Name of the related party	As at 31 March 2022	As at 31 March 2021
Loans Given	Novacare Healthcare Solutions Private Limited	215.94	239.90
	G.S.Pharmaceutical Distributors Private Limited	125.69	70.19
	R S M Pharma Private Limited	112.06	164.12
	Galaxystar Pharma Distributors Private Limited	72.44	87.69
	Sundarlal Pharma Distributors Private Limited	79.62	79.62
	Chhabra Healthcare Solutions Private Limited	80.94	80.94
	Getwell Medicare Solution Private Limited	106.13	106.13
	Avenues Pharma Distributors Private Limited	321.10	311.10
	Barros Enterprises Pvt Ltd	81.53	126.53
	Chethana Healthcare Solutions Private Limited	62.70	62.70
	Chethana Pharma Private Limited	99.15	99.15
	Chirag Medicare Solutions Private Limited	90.58	110.58
	Jaggi Enterprises Private Limited	158.07	153.07
	Millennium Medisolutions Private Limited	199.98	169.98
	Rada Medisolutions Private Limited	95.90	90.90
	Sesha Balajee Medisolutions Pvt Ltd	124.36	143.75
	SVMED Solutions Private Limited	107.59	138.58
	Vasavi Medicare Solutions Private Limited	112.04	131.28
	Calcutta Medisolutions Private Limited	17.40	6.76
	Curever Pharma Private Limited	104.20	8.00
	Sree Venkateshwara Medisolutions Private Limited	35.35	24.95
	Chethana Pharma Distributors Private Limited	11.00	10.50
	CPD Pharma Private Limited	20.44	10.95
	Western Healthcare Solutions Private Limited	137.50	-
	Atreja Healthcare Solutions Private Limited	36.10	-
	City Pharma Distributors Private Limited	34.70	-
	Swami Medisolutions Private Limited	62.30	-
	New Siva Agencies Private Limited	65.90	-
	New RRPD Private Limited	59.30	-
	Sri Rama Pharmaceutical Distributors Private Limited	122.03	-
	Sri parshva Pharma Distributors private limited	243.69	-

Nature of Transaction	Name of the related party	As at 31 March 2022	As at 31 March 2021
Interest receivable	Novacare Healthcare Solutions Private Limited	19.51	16.05
	G.S.Pharmaceutical Distributors Private Limited	17.82	10.67
	R S M Pharma Private Limited	12.50	11.44
	Galaxystar Pharma Distributors Private Limited	6.29	10.75
	Sundarlal Pharma Distributors Private Limited	12.86	7.08
	Chhabra Healthcare Solutions Private Limited	5.83	6.13
	Getwell Medicare Solution Private Limited	6.75	9.36
	Avenues Pharma Distributors Private Limited	69.91	49.33
	Barros Enterprises Pvt Ltd	7.21	9.99
	Chethana Healthcare Solutions Private Limited	4.52	8.68
	Chethana Pharma Private Limited	7.16	15.14
	Chirag Medicare Solutions Private Limited	7.18	8.00
	Jaggi Enterprises Private Limited	25.91	14.77
	Millennium Medisolutions Private Limited	13.70	14.11
	Rada Medisolutions Private Limited	15.05	8.29
	Sesha Balajee Medisolutions Pvt Ltd	8.85	10.01
	SVMED Solutions Private Limited	7.72	12.81
	Vasavi Medicare Solutions Private Limited	8.10	9.27
	Western Healthcare Solutions Private Limited	11.20	-
	Atreja Healthcare Solutions Private Limited	1.78	-
	City Pharma Distributors Private Limited	1.09	-
	Swami Medisolutions Private Limited	1.04	-
	New Siva Agencies Private Limited	1.38	-
	New RRPD Private Limited	1.04	-
	Sri Rama Pharmaceutical Distributors Private Limited	0.43	-
	Sri parshva Pharma Distributors private limited	4.41	-
	Calcutta Medisolutions Private Limited	0.83	0.02
	Curever Pharma Private Limited	10.20	0.02
	Sree Venkateshwara Medisolutions Private Limited	2.72	0.66
	Chethana Pharma Distributors Private Limited	1.14	0.38
	CPD Pharma Private Limited	1.42	0.02





Nature of Transaction	Name of the related party	As at 31 March 2022	As at 31 March 2021
Trade Receivables	Novacare Healthcare Solutions Private Limited	152.70	97.37
	R S M Pharma Private Limited	2.81	2.21
	Barros Enterprises Pvt Ltd	0.29	0.21
	Chhabra Healthcare Solutions Private Limited	4.21	2.33
	Galaxystar Pharma Distributors Private Limited	0.78	(0.15)
	Getwell Medicare Solution Private Limited	41.47	4.67
	G.S.Pharmaceutical Distributors Private Limited	11.60	2.67
	Jaggi Enterprises Private Limited	10.72	4.24
	Millennium Medisolutions Private Limited	8.74	0.57
	Sesha Balajee Medisolutions Pvt Ltd	1.97	0.77
	Chirag Medicare Solutions Private Limited	0.15	(0.04)
	Sree Venkateshwara Medisolutions Private Limited	4.67	2.08
	Avenues Pharma Distributors Private Limited	4.40	0.13
	CPD Pharma Private Limited	0.63	-
	Calcutta Medisolutions Private Limited	0.14	-
	Curever Pharma Private Limited	6.41	-
	Chethana Pharma Private Limited	-	0.03
	Rada Medisolutions Private Limited	10.02	5.72
	Sundarlal Pharma Distributors Private Limited	0.45	0.38
	SVMED Solutions Private Limited	12.44	6.43
	Western Healthcare Solutions Private Limited	0.26	-
	New Siva Agencies Private Limited	0.17	-
	City Pharma Distributors Private Limited	0.01	-
	Atreja Healthcare Solutions Private Limited	0.60	-
	Vasavi Medicare Solutions Private Limited	1.26	0.26
Investments	Novacare Healthcare Solutions Private Limited	110.00	110.00
	G.S.Pharmaceutical Distributors Private Limited	36.00	36.00
	R S M Pharma Private Limited	47.70	47.70
	Galaxystar Pharma Distributors Private Limited	48.00	48.00
	Sundarlal Pharma Distributors Private Limited	23.00	23.00
	Chhabra Healthcare Solutions Private Limited	35.00	35.00
	Getwell Medicare Solution Private Limited	68.00	68.00
	Avenues Pharma Distributors Private Limited	0.10	0.10
	Barros Enterprises Pvt Ltd	0.10	0.10
	Chethana Healthcare Solutions Private Limited	1.00	1.00
	Chethana Pharma Private Limited	3.00	3.00
	Chirag Medicare Solutions Private Limited	1.00	1.00
	Jaggi Enterprises Private Limited	0.10	0.10
	Millennium Medisolutions Private Limited	0.10	0.10
	Rada Medisolutions Private Limited	0.10	0.10
	Sesha Balajee Medisolutions Pvt Ltd	0.10	0.10
	SVMED Solutions Private Limited	0.10	0.10
	Vasavi Medicare Solutions Private Limited	0.10	0.10
	Chethana Pharma Distributors Private Limited	0.10	0.10
	Sree Venkateshwara Medisolutions Private Limited	0.10	0.10
	CPD Pharma Private Limited	10.10	10.10
	Calcutta Medisolutions Private Limited	0.10	0.10
	Curever Pharma Private Limited	0.10	0.10
	Rimedio Pharma Private Limited	0.10	0.10
	Quomed Life Sciences Private Limited	0.10	0.10
	Western Healthcare Solutions Private Limited	0.10	-
	Atreja Healthcare Solutions Private Limited	0.10	-
	City Pharma Distributors Private Limited	0.10	-
	Swami Medisolutions Private Limited	0.10	-
	New Siva Agencies Private Limited	0.10	-
	New RRPD Private Limited	0.10	-
	Sri Rama Pharmaceutical Distributors Private Limited	0.10	-
	Sri parshva Pharma Distributors private limited	0.10	-
	Zennx Software Solutions Private Limited	0.10	-
Reimbursement of expenses	Curever Pharma Private Limited	3.03	-





Nature of Transaction	Name of the related party	As at 31 March 2022	As at 31 March 2021
Trade payables	Jaggi Enterprises Private Limited	1.32	0.77
	Millennium Medisolutions Private Limited	30.52	2.41
	G.S.Pharmaceutical Distributors Private Limited	2.04	-
	Galaxystar Pharma Distributors Private Limited	1.74	-
	Calcutta Medisolutions Private Limited	(0.04)	-
	Novacare Healthcare Solutions Private Limited	12.82	11.94
	Atreja Healthcare Solutions Private Limited	(0.00)	-
	Curever Pharma Private Limited	1.04	-
	Chhabra Healthcare Solutions Private Limited	4.31	6.08
Corporate Guarantees Given	Novacare Healthcare Solutions Private Limited	433.44	351.61
	Getwell Medicare Solution Private Limited	76.74	84.57
	Avenues Pharma Distributors Private Limited	250.28	249.64
	Chethana Healthcare Solutions Private Limited	17.23	18.12
	Chirag Medicare Solutions Private Limited	84.29	96.83
	R S M Pharma Private Limited	189.16	106.35
	G.S.Pharmaceutical Distributors Private Limited	72.65	73.25
	Chhabra Healthcare Solutions Private Limited	39.48	39.29
	Sundaral Pharma Distributors Private Limited	21.16	27.74
	Galaxystar Pharma Distributors Private Limited	84.01	83.85
	Jaggi Enterprises Private Limited	85.55	68.07
	Chethana Pharma Private Limited	59.42	99.86
	Millennium Medisolutions Private Limited	128.55	84.46
	Sri Rama Pharmaceutical Distributors Private Limited	226.62	-
	Sri parshwa Pharma Distributors private limited	547.33	-
	Barros Enterprises Private Limited	34.61	-
	Sesha Balajee Medisolutions Private Limited	48.03	-
	Vasavi Medicare Solutions Private Limited	61.11	-
	SVMED Solutions Private Limited	80.26	-
	Western Healthcare Solutions Private Limited	22.89	-

**D. Key management personnel compensation:**

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Director Remuneration:		
Salaries and Allowances	48.56	41.66

Key managerial personnel who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for the Company as a whole and hence excluded.

E. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



48 Disclosure related to Leases  
Company as Lessee

(A) Change in Carrying value of right of use assets at the end of the reporting year

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	214.298	180.59
Additions	51.74	67.97
Depreciation charge for the year	(39.74)	(34.26)
Balance at the end of the year	226.30	214.30

(B) Change in Carrying value of lease liabilities at the end of the reporting year

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	231.84	187.24
Additions	49.95	64.23
Payment during the year	(49.15)	(41.29)
Gain on modification of lease liability	0.67	-
Finance cost	21.65	21.66
Balance at the end of the year	254.97	231.84

(C) Maturity analysis of lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	59.74	47.22
One to five years	218.34	190.38
More than five years	61.42	74.99
Total undiscounted lease liabilities at reporting year	339.50	312.58
Lease liabilities included in the statement of financial position at the year ended	254.97	231.84

(D) Amounts recognised in statement of profit or loss

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Interest on lease liabilities	22.33	21.66
Expenses relating to short-term leases	2.57	6.01
Amortisation of Right to Use Assets	39.74	34.26

(E) Amounts recognised in the statement of cash flows

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Total Cash outflow for leases	49.15	41.29

49 Statement of unhedged foreign currency exposure:

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Advance to vendors	0.05	8.93	0.12	8.93



50 Ratio Analysis

Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	% change from 31 March 2021 to 31 March 2022
a) Current Ratio	Current Assets	Current Liabilities	7.05	17.59	-59.96%
Explanation	The company has borrowed fund during the year, resulting in decrease of current ratio.				
(b) Debt-Equity Ratio	Short term and long term borrowings	Total Equity	0.05	NA	NA
(c) Debt Service Coverage Ratio	Earning before Interest and Tax	Short term and long term borrowings	(1.26)	NA	NA
(d) Return on Equity Ratio	Net Profit After Tax	Total Equity	(0.07)	(0.04)	-98.30%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	3.07	2.63	17.01%
(f) Trade Receivables turnover ratio	Net credit sales	Average Trade receivables	3.30	4.34	-23.85%
(g) Trade payables turnover ratio	Credit purchases	Average Trade payable	0.17	0.23	-24.62%
(h) Net capital turnover ratio	Sales	Working Capital (Current Assets- Current Liabilities)	0.29	0.25	12.70%
(i) Net profit ratio	Net profit after tax	Net Sales	(0.30)	(0.17)	-71.64%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(j) Return on Capital employed	Earning before Interest and Tax	Capital Employed	(0.07)	(0.04)	-84.08%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(k) Return on investment	Net profit after tax	Average Total Assets	(0.07)	(0.04)	-89.37%
Explanation	Decreased ratio due to increase in employee benefits & finance cost over a period for business growth.				

51 Other Statutory Information:

- A) (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.  
(ii) The Company do not have any transactions with companies struck off.  
(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory year.  
(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.  
(v) The Company have not advanced or extended loan 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.  
(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 to or on behalf of the Ultimate Beneficiaries.  
(vii) 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 November 13, 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 year in which, the Code becomes effective and therelated rules to determine the financial impact are published.  
(viii) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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.  
(ix) The Company has not been declared wilful defaulter by any bank or financial institution or by any government authorities.

X) Disclosure of Loans or Advances granted to related parties( as defined under Companies Act, 2013):-

a) Repayable on demand (Unsecured)

	As at 31 March 2022	% of total loans	As at 31 March 2021	% of total loans
Related Parties	3,195.75	99.98%	2,428.98	99.97%





52 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.:105047YV



Vaijayantimala Belsare

Partner

Membership No: 049902

Place: Mumbai

Date: 19 October 2022



Entero Healthcare Solutions Private Limited

CIN: U74999HR2018PTC072204



Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 19 October 2022

Prem Sethi  
Director  
DIN: 07077034  
Place: Mumbai

Jayant Prakash  
Company Secretary  
M.N.:FCS-6742

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Entero Healthcare Solutions Private Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **Entero Healthcare Solutions 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 March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the 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 consideration of reports of other auditors on separate financial statements, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated loss, consolidated changes in equity and its 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 Standards 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 India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is 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 financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective 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 the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group 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 the Group.

## **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 Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

## **Other Matters**

- a. We did not audit the financial statements of 20 subsidiaries, whose financial statements reflect total assets of Rs. 3,120.45 Million as at March 31, 2022, total revenues of Rs. 4,899.16 Million and net cash flows amounting to Rs. 75 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.





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Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow 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 Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2022 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Group.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.



iv.

1. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties 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 subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
2. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement

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



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2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Group as it is a private Company.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 22049902BFYMQU8192



Place: Mumbai  
Date: December 22, 2022



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED

### Auditor's Responsibilities for the Audit of the 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 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 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the 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 auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



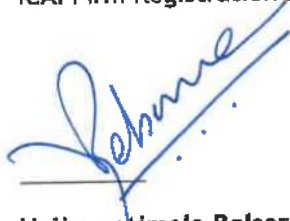
# MSKA & Associates

Chartered Accountants

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.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Vaijayantimala Belsare**  
Partner  
Membership No. 049902  
UDIN: 22049902BFYMQU8192



Place: Mumbai  
Date: December 22, 2022

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Entero Healthcare Solutions Private Limited on the consolidated Financial Statements for the year ended March 31, 2022]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Entero Healthcare Solutions Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ICAI").

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note





require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

#### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

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



# MSKA & Associates

Chartered Accountants

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 20 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 22049902BFYMQU8192



Place: Mumbai  
Date: December 22, 2022

**Entero Healthcare Solutions Private Limited**  
**Consolidated Balance Sheet as at 31 March 2022**  
(₹ in Million, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,073.24	967.28
Capital work-in-progress	9	5.86	-
Goodwill	6	1,502.44	894.90
Other intangible assets	7	44.00	23.55
Intangible asset under development	8	0.54	22.40
<b>Financial assets</b>			
Other Financial Assets	10	67.46	63.93
Deferred tax asset (net)	11	6.77	3.29
Non Current tax assets (net)	12	48.62	33.29
Other non-current assets	13	2.07	-
<b>Total non-current assets</b>		<b>2,751.00</b>	<b>2,008.63</b>
<b>Current assets</b>			
Inventories	14	3,101.64	2,439.26
<b>Financial assets</b>			
Trade receivables	15	3,745.99	2,421.52
Cash and cash equivalents	16	465.08	323.14
Bank balances other than cash and cash equivalent	17	588.90	505.10
Loans	18	10.22	7.52
Other financial assets	19	15.37	6.27
Other current assets	20	581.63	626.43
<b>Total current assets</b>		<b>8,508.83</b>	<b>6,329.24</b>
<b>Total assets</b>		<b>11,259.83</b>	<b>8,337.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	21	38.50	1.00
Instruments entirely equity in nature	22	6,189.90	5,171.12
Other equity	23	(617.98)	(318.46)
<b>Equity attributable to owners of the company</b>		<b>5,610.42</b>	<b>4,853.66</b>
<b>Non-Controlling Interests</b>	24	<b>21.75</b>	<b>16.94</b>
<b>Total equity</b>		<b>5,632.17</b>	<b>4,870.60</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	27	371.26	-
Lease Liabilities	25	576.86	532.32
Provisions	26	54.65	27.45
Deferred tax Liability (net)	11	17.43	16.23
<b>Total non-current liabilities</b>		<b>1,020.20</b>	<b>576.00</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	27	2,479.02	1,417.03
Lease Liabilities	25	119.17	79.90
Trade payables	28		
i) total outstanding dues of micro enterprises and small enterprises		23.42	10.70
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		1,374.37	956.70
Other financial liabilities	29	410.55	108.16
Other current liabilities	30	119.33	116.53
Provisions	26	69.26	194.85
Current tax liabilities (net)	12	12.34	7.40
<b>Total current liabilities</b>		<b>4,607.46</b>	<b>2,891.27</b>
<b>Total liabilities</b>		<b>5,627.66</b>	<b>3,467.27</b>
<b>Total equity and liabilities</b>		<b>11,259.83</b>	<b>8,337.87</b>

See accompanying notes to the consolidated financial statements  
The accompanying notes are an integral part of the consolidated financial statements.

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As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
Firm Registration No.:105077W

Vaijayantimal Belsare  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 22 December 2022

For and on behalf of the Board of Directors  
Entero Healthcare Solutions Private Limited  
CIN: U74999HR2018PTC072204

Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 21 December 2022

Prem Sethi  
Director  
DIN: 07077034

Jayant Prakash  
Company Secretary  
M.N.: FCS-6742



Entero Healthcare Solutions Private Limited  
Consolidated Statement of Profit and Loss for the year ended 31 March 2022  
(₹ in million, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Income</b>			
Revenue from operations	31	25,197.64	17,731.04
Other income	32	67.84	105.63
<b>Total income</b>		<b>25,265.48</b>	<b>17,836.67</b>
<b>Expenses</b>			
Purchase of Stock-in-trade	33	23,778.19	16,865.68
Changes in inventories of Stock-in-trade	34	(653.82)	(484.29)
Employee benefits expense	35	1,138.62	749.43
Finance costs	36	289.78	200.38
Depreciation and amortization expense	37	197.54	162.76
Other expenses	38	713.28	451.09
<b>Total expenses</b>		<b>25,463.59</b>	<b>17,945.05</b>
<b>Loss before tax</b>		<b>(198.11)</b>	<b>(108.38)</b>
<b>Tax expense</b>			
Current tax	39	98.64	46.84
Deferred tax	39	(2.36)	(1.68)
<b>Total income tax expense</b>		<b>96.28</b>	<b>45.16</b>
<b>Loss for the year</b>		<b>(294.38)</b>	<b>(153.54)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plan		(0.26)	(2.05)
Income tax effect		(0.07)	0.20
<b>Total</b>		<b>(0.33)</b>	<b>(1.85)</b>
Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(0.33)</b>	<b>(1.85)</b>
<b>Total comprehensive income for the year</b>		<b>(294.71)</b>	<b>(155.39)</b>
<b>Profit/Loss attributable to</b>			
Owners of the Company		(299.19)	(155.37)
Non-Controlling Interest		4.81	1.83
		<b>(294.38)</b>	<b>(153.54)</b>
<b>Total comprehensive income attributable to</b>			
Owners of the Company		(299.52)	(157.17)
Non-Controlling Interest		4.81	1.79
		<b>(294.71)</b>	<b>(155.38)</b>
<b>Earnings per share</b>	40		
Basic (INR)		(191.90)	(1,550.60)
Diluted (INR)		(191.90)	(1,550.60)
See accompanying notes to the consolidated financial statements	1-57		

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

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.:105047W

*Vaijayanti Belsare*  
Vaijayanti Belsare  
Partner

Membership No: 049902

Place: Mumbai

Date: 22 December 2022



For and on behalf of the Board of Directors

Entero Healthcare Solutions Private Limited

CIN: U74999HR2018PTC072204

*Prabhat Agrawal*  
Prabhat Agrawal  
Managing Director

DIN: 07466382

Place: Mumbai

Date: 21 December 2022

*Prem Sethi*  
Prem Sethi  
Director

DIN: 07077034

*Jayant Prakash*  
Jayant Prakash  
Company Secretary

M.N.: FCS-6742



Entero Healthcare Solutions Private Limited  
Consolidated Statement of Changes in Equity for the year ended 31 March 2022  
(₹ in Million, unless otherwise stated)

(A) Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1.00	1.00
Changes in Equity Share capital during the year	37.50	-
Balance at the end of the year	38.50	1.00

(B) Other equity

Particulars	Instruments entirely equity in nature	Reserve and surplus	Total equity attributable to owners	Attributable to Non controlling interest	Total Equity
		Retained earnings			
Balance as at 31 March 2020	4,387.12	(161.29)	4,225.83	15.16	4,240.99
Changes during the year					
Issued during the year	784.00	-	784.00	-	784.00
Profit/(Loss) for the year	-	(155.37)	(155.37)	1.83	(153.54)
Other comprehensive income for the year	-	(1.80)	(1.80)	(0.05)	(1.85)
As at 31 March 2021	5,171.12	(318.46)	4,852.66	16.95	4,869.60
Changes during the year					
Issued during the year	1,018.78	-	1,018.78	-	1,018.78
Profit/(Loss) for the year	-	(299.19)	(299.19)	4.81	(294.39)
Other comprehensive income for the year	-	(0.33)	(0.33)	-	(0.33)
Total	6,189.90	(617.98)	5,571.91	21.76	5,593.67
Balance as at 31 March 2022	6,189.90	(617.98)	5,571.91	21.76	5,593.67

See accompanying notes to the consolidated financial statements

1-57




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

As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors  
Entero Healthcare Solutions Private Limited  
CIN: U74999HR2018PTC072204

  
Vaijantimala Belsare  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 22 December 2022



    
Prabhat Agrawal      Prem Sethi      Jayant Prakash  
Managing Director      Director      Company Secretary  
DIN: 07466382      DIN: 07077034      M.N.: FCS-6742  
Place: Mumbai  
Date: 21 December 2022



**Entero Healthcare Solutions Private Limited**  
**Consolidated Statement of Cash Flows for the year ended 31 March 2022**  
(₹ in Million, unless otherwise stated)

	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>Cash flow from operating activities</b>		
Loss before tax	(198.11)	(108.38)
Adjustments for:		
Depreciation and amortization expenses	197.54	162.76
Finance cost	289.78	200.38
Provision for expected credit loss	62.50	14.05
Provision for retirement benefits & Leave obligation	22.12	15.01
Interest income	(34.39)	(26.44)
Provision for sales return	(122.38)	60.86
<b>Operating profit before working capital changes</b>	<b>217.06</b>	<b>318.24</b>
<b>Changes in working capital</b>		
Increase/(Decrease) in trade payables	185.18	(89.82)
Increase in inventories	(300.97)	(489.51)
Increase in trade receivables	(682.19)	(119.19)
(Decrease)/Increase in other current liabilities	2.22	(63.08)
Increase/(Decrease) in other financial liabilities	302.39	(76.28)
Increase in loans	(2.70)	(3.48)
Increase in other financial assets	(12.63)	(0.04)
Decrease/(Increase) in other current assets	50.10	(122.25)
(Increase)/Decrease in other non current assets	(2.07)	4.40
<b>Cash used in operations</b>	<b>(243.61)</b>	<b>(641.01)</b>
Income tax paid (including advance tax & TDS)	(109.04)	(45.83)
<b>Net cash flows used in operating activities (A)</b>	<b>(352.65)</b>	<b>(686.84)</b>
<b>Cash flow from Investing activities</b>		
Purchase consideration on acquisition of business / subsidiary	(1,469.24)	(10.99)
Payment for property, plant and equipment and intangible assets	(97.89)	(95.29)
Interest received	34.39	26.07
Investment in Bank deposits	(83.81)	(228.48)
<b>Net cash flow used in investing activities (B)</b>	<b>(1,616.55)</b>	<b>(308.69)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of Equity Shares	37.50	-
Proceeds from issuance of convertible preference shares	1,018.78	784.00
Proceeds from borrowings	1,433.25	352.34
Principal paid on lease liabilities	(88.61)	(42.32)
Interest paid on lease	(61.64)	(58.61)
Interest paid	(228.14)	(148.28)
<b>Net cash flow from financing activities (C)</b>	<b>2,111.14</b>	<b>887.13</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>141.94</b>	<b>(108.40)</b>
Cash and cash equivalents at the beginning of the year	323.14	431.54
<b>Cash and cash equivalents at the end of the year</b>	<b>465.08</b>	<b>323.14</b>
<b>Cash and cash equivalents comprise (Refer note 16)</b>		
Balances with banks		
On current accounts	439.21	305.89
Fixed deposits with maturity of less than 3 months	1.49	0.02
Cash on hand	24.25	16.97
Cheques on hand	0.13	0.26
<b>Total cash and bank balances at end of the year</b>	<b>465.08</b>	<b>323.14</b>





Entero Healthcare Solutions Private Limited  
Consolidated Statement of Cash Flows for the year ended 31 March 2022  
(₹ in Million, unless otherwise stated)

Reconciliation of the movements of liabilities to cash flows arising from financing activities

Particulars	31 March 2022	31 March 2021
<b>Opening balance</b>		
Cash credit facility	1,408.53	1,056.22
Vehicle Loan	-	0.20
Interest accrued and due on borrowings	1.90	2.11
Total Changes from financing cash flows	1,410.43	1,058.53
<b>Movement</b>		
Cash flows-Cash Credit facility	402.12	352.31
Cash flows-Vehicle Loan	-	(0.20)
Interest paid	(290.27)	(200.59)
Interest expenses	289.78	200.38
<b>Closing Balance</b>		
Cash credit facility	1,810.65	1,408.53
Interest accrued and due on borrowings	1.41	1.90
	1,812.06	1,410.43

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition).

See accompanying notes to the consolidated financial statements 1-57

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

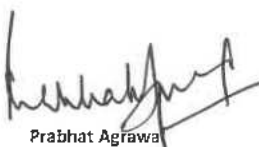
As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
Entero Healthcare Solutions Private Limited  
CIN: U74999HR2018PTC072204


  
Vaijayantimala Belsare  
Partner

Membership No: 049902  
Place: Mumbai  
Date: 22 December 2022



  
Prabhat Agrawa  
Managing Director

DIN: 07466382  
Place: Mumbai  
Date: 21 December 2022

  
Prem Sethi  
Director

DIN: 07077034

  
Jayant Prakash  
Company Secretary

M.N.:FCS-6742



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

#### 1. General Information

The consolidated financial statements comprise financial statements of Entero Healthcare Solutions Private Limited (the "Company") and its subsidiaries (collectively, the Group) for the year ended 31 March 2022. The Company was incorporated on 10 January 2018 under the provisions of the Companies Act, 2013 applicable in India. Its registered and principal office of business is located at Faridabad, Haryana. The Group is the authorized distributor for most of the top Pharmaceutical companies in India. It also has strategic supply relationship with some of the leading corporate hospital chains of the country.

#### 2. Significant accounting policies

Significant accounting policies adopted by the group are as under:

##### 2.1 Basis of Preparation of Financial Statements

###### A. Statement of Compliance with IND AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements are approved by the Board of Directors on 21 December 2022.

###### B. Principles of Consolidation and other Equity Accounting

###### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used for business combination by the group. The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member in the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.



**Entero Healthcare Solutions Private Limited****Notes forming part of the consolidated financial statements for the year ended 31 March 2022**

(₹ in Million, unless otherwise stated)

ii) Consolidation procedure : (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date. (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

(iii) Non-controlling interests (NCI) NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The subsidiaries considered in the consolidated financial statement are :

Name of Group	Country of Incorporation	% ownership as at 31 March 2022	with effect from
G.S.Pharmaceutical Distributors Private Limited	India	100%	09-08-2018
Novacare Healthcare Solutions Private Limited	India	100%	09-08-2018
R S M Pharma Private Limited	India	100%	14-08-2018
Getwell Medicare Solution Private Limited	India	85%	26-12-2018
Sundarlal Pharma Distributors Private Limited	India	100%	29-12-2018
Chhabra Healthcare Solutions Private Limited	India	100%	19-01-2019
Galaxystar Pharma Distributors Private Limited	India	100%	21-02-2019
Avenues Pharma Distributors Private Limited	India	100%	15-04-2019
Chirag Medicare Solutions Private Limited	India	100%	15-05-2019
Jaggi Enterprises Private Limited	India	100%	20-05-2019
Chethana Healthcare Solutions Private Limited	India	100%	29-05-2019
Vasavi Medicare Solutions Private Limited	India	100%	31-05-2019
SVMED Solutions Private Limited	India	100%	12-06-2019
Chethana Pharma Private Limited	India	100%	06-08-2019
Millennium Medisolutions Private Limited	India	100%	07-08-2019
Rada Medisolutions Private Limited	India	100%	21-08-2019
Sesha Balajee Medisolutions Private Ltd	India	100%	13-01-2020
Barros Enterprises Private Limited	India	100%	02-03-2020
Chethana Pharma Distributors Private Limited	India	100%	08-04-2020
Sree Venkateshwara Medisolutions Private Limited	India	100%	06-08-2020
CPD Pharma Private Limited	India	100%	14-09-2020
Calcutta Medisolutions Private Limited	India	100%	01-01-2021
Curever Pharma Private Limited	India	100%	19-01-2021
Rimedio Pharma Private Limited	India	100%	26-03-2020
Quomed Life Sciences Private Limited	India	100%	26-03-2020





**Entero Healthcare Solutions Private Limited****Notes forming part of the consolidated financial statements for the year ended 31 March 2022**

(₹ in Million, unless otherwise stated)

Sri Parshva Pharma Distributors Private Limited	India	100%	01-02-2022
Sri Rama Pharmaceutical Distributors Private Limited	India	100%	01-03-2022
Western Healthcare Solutions Private Limited	India	100%	01-04-2021
City Pharma Distributor Private Limited	India	100%	14-04-2021
Atreja Healthcare Solutions Private Limited	India	100%	14-04-2021
Zennx Software Solutions Private Limited	India	100%	09-11-2021
New Siva Agencies Private Limited	India	100%	02-12-2021
New RRPD Private Limited	India	100%	03-12-2021
Swami Medisolutions Private Limited	India	100%	21-12-2021

**C. Current and non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfied any of the following criteria:

it is expected to be realised in, or intended for sale or consumption in, the group's normal operating cycle;

it is held primarily for the purpose of being traded;

it is expected to be realised within 12 months after the balance sheet date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

it expects to settle the liability in its normal operating cycle;

it is held primarily for the purpose of being traded;

it is due to be settled within 12 months after the balance sheet date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

#### D. Basis of Measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- Certain Financial assets are measured at fair value (refer accounting policy on financial instruments)
- Employee's Defined Benefit Plan as per actuarial valuation.

#### E. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note No. 3 for detailed discussion on estimates and judgments.

#### 2.2 Property, Plant and Equipment & Capital Work in Progress

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses & Capital work in progress are stated at cost, if any. The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts, rebates, input tax credit (IGST/ CGST and SGST) or any other tax credit available to the Group are deducted in arriving at the purchase price.

Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefit associated with these will flow to the group and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributionable to the acquisition/construction of property, plant and equipment that takes substantial period of time to get ready for their intended use are capitalized up to the date such asset is ready for use.

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 Statement of Profit or Loss when the asset is derecognised.

#### Depreciation on plant, property and equipment

Depreciation on property, plant and equipment is provided on straightline method at their respective estimated useful lives, which is in line with the estimated useful lives as specified in Schedule II of the Companies Act, 2013.



**Entero Healthcare Solutions Private Limited****Notes forming part of the consolidated financial statements for the year ended 31 March 2022**

(₹ in Million, unless otherwise stated)

Particulars	Useful Life as per prescribed in Schedule II of the Act (year)
Leasehold Improvement*	Lease Period
Computer and peripherals	3-6
Furniture and fixtures	10
Office equipment	3-5
Vehicle	8
Plant and Machineries	15
Electrical Installations and Equipment	10

\*Leasehold improvements are amortized over the period of the lease.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss.

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

**2.3 Other Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization.

The cost comprises purchase price, directly attributable cost of bringing the asset to its working condition for the intended use which includes any trade discounts, rebates, input tax credit (IGST/ CGST and SGST) or any other tax credit available to the group are deducted in arriving at the purchase price.

Borrowing costs to the extent related/attributable to the acquisition/construction of intangible asset that takes substantial period of time to get ready for their intended use are capitalized from the date it meets capitalization criteria till such asset is ready for use.

Intangible assets are amortized on a straight line basis over their estimated useful economic lives.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition 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.





## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

A summary of amortization period applied to the Group's intangible assets is as below:

Particulars	Useful life (years)
Computer software	3-10

#### 2.4 Fair value Measurement

The Group measures financial instruments, at fair value at each balance sheet date.

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 accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Group's management determines the policies and procedures for fair value measurement.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.

#### 2.5 Revenue recognition

##### Revenue from Sale of Traded Goods

Revenue is recognized upon transfer of control of promised goods to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

Revenue is recognized at a point in time when the goods and consumables are delivered at the agreed point of delivery which generally is the premises of the customer.



**Other Income**

Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

**Marketing Support**

Marketing support income is recognised upon transfer of control of promised services to customers. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, performance bonuses, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

**2.6 Taxes**

**a) Current Income Tax:**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**b) Deferred Tax:**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### 2.7 Intangible asset under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

#### 2.8 Leases

##### The Group as a lessee

The Group's lease asset classes primarily consist of leases for warehouse and office. The Group assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the Group has the right to obtain substantially all of the economic benefits from use of the identified asset through the period of the lease and (ii) the Group has the right to direct the use of the identified asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a short-term leases (term of twelve months or less ) and lease of low value assets. For these short-term leases and lease of low value assets, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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 group's incremental borrowings rate. It remeasured when there is change in index or rate, if there is a change in group's estimate of amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercises a purchase, extension or termination option. When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of right of -use asset, or is recorded in profit & loss if carrying amount of right of -use asset has been reduced to zero.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group has elected not to recognize right-of use-asset and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The group recognizes the lease payment associated with these leases as an expense over the lease term.





## **2.9 Inventories**

The inventory comprises of traded goods which are stated at the lower of cost and net realisable value. Cost of inventory of traded goods is arrived based on actual cost by batch which comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provision is made for the cost of obsolescence and other anticipated losses, whenever considered necessary.

## **2.10 Impairment of non-financial assets**

The Group assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Group estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account.

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash-Generating Unit" - CGU).

## **2.11 Business combinations**

In accordance with the provisions of Ind AS 101, First time adoption of Indian Accounting Standards, a first time adopter may elect not to apply Ind AS 103 retrospectively to past business combinations, before the date of transition i.e 01 April 2019. However, the Group has not elected to opt for this exemption and has applied Ind AS 103 retrospectively.

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

Control exists when the Group 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 Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised immediately in the OCI and accumulates the same in equity as capital reserve where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase else the gain is directly recognised in equity as capital reserve. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to the settlement of pre-existing relationships. Any goodwill that arises on account of such business combination is tested annually for impairment.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the statement of profit and loss. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

#### 2.12 Provisions and Contingent Liabilities

A provision is recognized when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.



### 2.13 Cash and cash equivalents

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

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### 2.14 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.

#### (A) Financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not "at fair value through profit or loss", transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (ii) Subsequent measurement

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

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the related cash flows

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amounts are taken through Other Comprehensive Income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in "Other income" using the effective interest rate method.





## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

The Group does not own any financial asset classified at fair value through other comprehensive income.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through statement of profit and loss. Interest income from these financial assets is included in "Other income".

Asset that do not meet criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Interest income from these financial assets are included in other income. The group does not own any financial asset classified at fair value through profit or loss.

Equity instruments: 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 AS 103 applies are classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI subsequent changes in the fair value in other comprehensive income . The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on 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 subsequent years, 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 recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs 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 year end.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

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 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 etc.) 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.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 90 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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.

#### (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the right to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

## (B) Financial liabilities

### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

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

### (ii) 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. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

#### a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

#### (iii) Derecognition

A financial liability is derecognized 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 recognized in the Statement of Profit and Loss as finance costs.

#### (C) Embedded Derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contracts are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

#### (D) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.





## **2.15 Employee Benefits**

### **(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **(b) Other long-term employee benefit obligations**

#### **(i) Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

The Group has no further obligations under these plans beyond its monthly contributions.

#### **(ii) Defined Benefit Plans**

Gratuity: The Group provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

#### 2.16 Foreign Currency Transactions

##### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

##### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### 2.17 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

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 period are adjusted for the effects of all dilutive potential equity shares.



**3. Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires management to make judgments, 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.

**3.1 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**i) Recognition of deferred tax assets & Liabilities:**

Deferred tax assets and liabilities are recognized for the future temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilized. The position will be reviewed at each reporting period and will be recognised when the probability improves.

**ii) Defined benefit plans (gratuity benefits and leave encashment)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature,

a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.





## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2022

(₹ in Million, unless otherwise stated)

#### iii) Intangible asset under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts

to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

#### iv) Impairment of Non Financial Assets and Goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### v) Sales Return

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 Other Current assets 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.



**4. Standards issued but not effective**

**The amendments are proposed to be effective for reporting periods beginning on or after 01 April 2021:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies 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 (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The Group believes there will be no impact on its financial statements of these amendments.



Entero Healthcare Solutions Private Limited  
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2022  
(\* in million, unless otherwise stated)

5 Property, plant and equipment

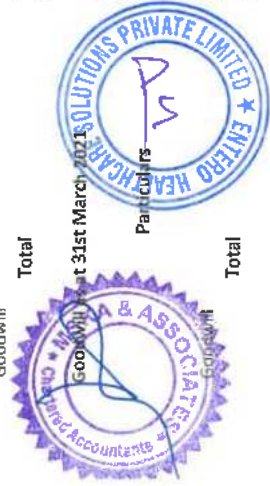
Particulars	Gross block					Depreciation		Net block	
	As at 1 April 2021	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2022	For the year As at 1 April 2021	As at 31 March 2022	As at 31 March 2022
<b>Leased assets</b>									
Right to Use Asset (Refer Note 41)	745.81	183.67	-	-	7.39	922.09	187.04	305.48	616.60
<b>Owned assets</b>									
Plant and machineries	58.23	39.31	0.41	-	-	97.95	6.38	11.55	86.30
Electrical Installations	84.71	9.86	0.04	-	0.01	94.70	12.49	21.09	73.61
Furniture and fixtures	137.31	28.76	0.51	-	1.17	165.41	23.21	37.80	127.61
Office equipment	45.15	6.42	0.13	-	-	51.70	15.10	24.15	27.55
Vehicles	17.81	7.02	0.92	-	2.04	23.71	4.66	6.71	17.00
Leasehold improvements	135.84	9.77	-	-	-	145.61	29.16	47.71	97.90
Computer and peripherals	37.72	18.89	0.35	-	-	56.97	17.26	30.30	26.67
<b>Total</b>	<b>1,262.58</b>	<b>303.79</b>	<b>2.36</b>	<b>-</b>	<b>10.61</b>	<b>1,558.14</b>	<b>295.30</b>	<b>484.89</b>	<b>1,073.24</b>

Particulars	Gross block					Depreciation		Net block	
	As at 1 April 2020	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2021	For the year As at 1 April 2020	As at 31 March 2021	As at 31 March 2021
<b>Leased assets</b>									
Right to Use Asset (Refer Note 41)	640.40	105.41	-	-	-	745.81	86.68	187.04	558.77
<b>Owned assets</b>									
Plant and machineries	52.01	6.22	-	-	-	58.23	2.61	6.38	51.85
Electrical Installations	73.42	11.58	-	-	0.29	84.71	4.80	12.49	72.22
Furniture and fixtures	124.55	12.76	-	-	-	137.31	10.49	23.21	114.10
Office equipment	38.59	6.82	-	-	0.26	45.15	7.35	15.10	30.05
Vehicles	18.29	1.24	-	-	1.72	17.81	3.08	4.66	13.15
Leasehold improvements	126.60	9.24	-	-	-	135.84	11.94	29.16	106.68
Computer and peripherals	26.97	10.76	-	-	0.01	37.72	8.33	17.26	20.46
<b>Total</b>	<b>1,100.83</b>	<b>164.04</b>	<b>-</b>	<b>-</b>	<b>2.28</b>	<b>1,262.58</b>	<b>135.27</b>	<b>295.30</b>	<b>967.28</b>

6 Goodwill as at 31st March 2022

Particulars	Gross block					Depreciation		Net block	
	As at 1 April 2021	Additions	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2022	For the period As at 1 April 2021	As at 31 March 2022	As at 31 March 2022
Goodwill	894.90	-	607.54	-	-	1,502.44	-	-	1,502.44
<b>Total</b>	<b>894.90</b>	<b>-</b>	<b>607.54</b>	<b>-</b>	<b>-</b>	<b>1,502.44</b>	<b>-</b>	<b>-</b>	<b>1,502.44</b>

Particulars	Gross block					Depreciation		Net block	
	As at 1 April 2020	Additions	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2021	For the period As at 1 April 2020	As at 31 March 2021	As at 31 March 2021
Goodwill	891.16	13.74	-	(10.00)	-	894.90	-	-	894.90
<b>Total</b>	<b>891.16</b>	<b>13.74</b>	<b>-</b>	<b>(10.00)</b>	<b>-</b>	<b>894.90</b>	<b>-</b>	<b>-</b>	<b>894.90</b>





7 Other intangible assets as at 31 March 2022

Particulars	Gross block				Depreciation		Net block	
	As at 1 April 2021	Additions	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022
Computer Software	25.98	25.66	-	-	-	51.64	51.64	7.64
Total	25.98	25.66	-	-	-	51.64	51.64	7.64
								44.00
								44.00

Other intangible assets as at 31 March 2021

Particulars	Gross block				Depreciation		Net block	
	As at 1 April 2020	Additions	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021
Computer Software	6.325	19.65	-	-	-	25.98	25.98	2.43
Total	6.33	19.65	-	-	-	25.98	25.98	2.43
								23.55
								23.55

8 Intangible assets under development

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	22.40	22.55
Add : Additions during the year	3.14	18.91
Less: Capitalized during the year	25.00	19.06
Closing Balance	0.54	22.40

Intangible assets under development ageing schedule

As at 31 March 2022

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Projects in progress	0.54	-	-	-
Projects temporarily suspended	-	-	-	-
				Total
				0.54

As at 31 March 2021

Particulars	To be completed in			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Projects in progress	18.91	3.49	-	-
Projects temporarily suspended	-	-	-	-
				Total
				22.40

9 Capital Work in Progress

CWIP ageing schedule as on 31 March 2022

Particulars	Amount in CWIP for a year of March 2022			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Projects in progress	5.86	-	-	-
Projects temporarily suspended	-	-	-	-
				Total
				5.86



10 Other Financial Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits	67.46	63.93
<b>Total</b>	<b>67.46</b>	<b>63.93</b>

11 Deferred tax assets/(liabilities) (net)

Deferred tax asset on account of:		
On Disallowances u/s 40A of Income tax act 1961	2.45	3.22
On Ind AS Adjustment	22.49	19.89
Gratuity & Leave Encashment	15.63	6.61
Expected Credit Loss on Loans and advances	20.49	4.86
Unabsorbed depreciation	119.59	53.26
Unabsorbed loss	115.76	50.46
Deferred tax liability on account of:		
Timing difference between tax depreciation and depreciation charged in the books	(43.40)	(49.47)
<b>Net deferred tax assets</b>	<b>253.01</b>	<b>88.83</b>
Deferred tax liabilities (net)	17.43	16.23
Deferred tax assets (net) recognised	6.77	3.29
Deferred tax assets (net) not recognised	263.68	101.77

11.1 Note (a): Reconciliation of deferred tax assets/liabilities(net)

Particulars	As at 31 March 2021	(Charged)/ Credited to P & L	(Charged)/ Credited to OCI	As at 31 March 2022
Timing difference between tax depreciation and depreciation charged in the books	(49.47)	6.07	-	(43.40)
On Disallowances u/s 40A of Income tax act 1961	3.22	(0.77)	-	2.45
On Ind AS Adjustment	19.89	2.60	-	22.49
Unabsorbed depreciation	53.26	66.33	-	119.59
Unabsorbed loss	50.46	65.30	-	115.76
Gratuity & Leave Encashment	6.61	9.09	(0.07)	15.63
Expected Credit Loss Provision	4.86	15.63	-	20.49
<b>Net Net deferred tax assets/(liability)</b>	<b>88.83</b>	<b>164.25</b>	<b>(0.07)</b>	<b>253.01</b>

The Group has unabsorbed business losses and depreciation which according to management will be used to set off taxable profit arising in the next few years from operations of the company. However, the Group has not recognised deferred tax assets of INR 263.68 million (31 March 2021: INR 101.77 million) due to absence of reasonable certainty of the ability to set off carry forward losses and unabsorbed depreciation against taxable profit in the immediate future. The position will be reviewed at each reporting period and will be recognised when the probability improves.

12 Non current Tax assets / Current Tax Liabilities (Net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (Net)	48.62	33.29
<b>Total</b>	<b>48.62</b>	<b>33.29</b>
Provision for tax	12.34	7.40
<b>Tax (Liabilities)</b>	<b>12.34</b>	<b>7.40</b>

13 Other non-current assets

Capital advance	2.07	-
<b>Total other non-current other assets</b>	<b>2.07</b>	<b>-</b>

14 Inventories

At lower of cost and net realizable value		
Stock in trade (Including Goods-in transit of INR 12.77 Million ( 31 March 2021: INR 53.20 million )	3,101.64	2,439.26
<b>Total</b>	<b>3,101.64</b>	<b>2,439.26</b>



Particulars	As at 31 March 2022	As at 31 March 2021
<b>15 Trade receivable</b>		
Unsecured		
-Considered good	3,745.99	2,421.52
-Receivables which have significant increase in Credit Risk	82.25	20.83
Less: Expected loss allowances	(82.25)	(20.83)
<b>Total</b>	<b>3,745.99</b>	<b>2,421.52</b>

**Trade Receivables Ageing Schedule**

As at 31 March 2022

Particulars/Due from Date of transaction	(i) Undisputed Trade Receivables - Considered Good	(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	(iii) Undisputed Trade Receivables - Considered Doubtful	(iv) Disputed Trade Receivables Considered Good	(iv) Disputed Trade Receivables - Considered Doubtful	(v) Disputed Trade Receivables - Considered Doubtful
Unbilled dues	-	-	-	-	-	-
Less Than 6 Months	3,300.87	0.74	-	-	-	-
6 Months to 1 Year	296.48	0.03	-	-	-	-
1-2 Years	142.04	13.90	-	-	-	-
2-3 Years	6.06	54.75	-	-	-	-
More Than 3 Years	0.54	12.83	-	-	-	-
<b>Total</b>	<b>3,745.99</b>	<b>82.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 31 March 2021

Particulars/Due from Date of transaction	(i) Undisputed Trade Receivables - Considered Good	(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	(iii) Undisputed Trade Receivables - Considered Doubtful	(iv) Disputed Trade Receivables Considered Good	(iv) Disputed Trade Receivables - Considered Doubtful	(v) Disputed Trade Receivables - Considered Doubtful
Unbilled dues	-	-	-	-	-	-
Less Than 6 Months	2,092.44	0.06	-	-	-	-
6 Months to 1 Year	204.12	0.33	-	-	-	-
1-2 Years	124.95	8.80	-	-	-	-
2-3 Years	-	11.64	-	-	-	-
More Than 3 Years	-	-	-	-	-	-
<b>Total</b>	<b>2,421.52</b>	<b>20.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**16 Cash and cash equivalents**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
On current accounts	439.21	305.89
Fixed deposits with maturity of less than 3 months	1.49	0.02
Cheques/drafts on hand	0.13	0.26
Cash on hand	24.25	16.97
<b>Total</b>	<b>465.08</b>	<b>323.14</b>

**17 Bank balances other than Cash and cash equivalent**

In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	588.90	505.10
<b>Total</b>	<b>588.90</b>	<b>505.10</b>

**18 Loans**

<b>Unsecured, considered good</b>		
Loans to related party (Refer Note 46)	5.20	5.20
Loans to others	5.02	2.32
<b>Total</b>	<b>10.22</b>	<b>7.52</b>

**19 Other financial assets**

Interest accrued on Inter Corporate Deposits (ICD)	0.10	0.15
Interest accrued on Fixed Deposits (FD)	15.27	6.12
<b>Total</b>	<b>15.37</b>	<b>6.27</b>

**20 Other current assets**

Advance to suppliers	80.45	73.01
Less : Provision for doubtful advances	-	(0.09)
Balance with government authorities	265.53	230.33
Advance to staff	7.55	8.70
Claim receivables	56.76	26.90
Other current assets	88.51	237.56
Less: Loss allowances	(1.07)	-
Prepaid Expenses	83.90	50.02
<b>Total</b>	<b>581.63</b>	<b>626.43</b>





**21 Equity Share capital**

**Particulars**

**a. Authorised Share Capital**

40,00,000 (31 March 2021: 250,000) Equity Shares of INR 10 each

**Total**

As at 31 March 2022	As at 31 March 2021
40.00	2.50
<b>40.00</b>	<b>2.50</b>

**b. Issued, Subscribed and Paid-up:**

38,50,000 (31 March 2021: 100,200) Equity Shares of INR 10 each

**Total**

38.50	1.00
<b>38.50</b>	<b>1.00</b>

**c. Reconciliation of equity shares outstanding at the beginning and at the end of the year**

**Particulars**

Outstanding at the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

As at 31 March 2022		As at 31 March 2021	
No of shares	Amount	No of shares	Amount
1,00,200	1.00	1,00,200	1.00
37,50,000	37.50	-	-
<b>38,50,200</b>	<b>38.50</b>	<b>1,00,200</b>	<b>1.00</b>

**d. Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

**e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No of shares	%	No of shares	%
Mr. Prabhat Agrawal	25,60,000	66.49%	60,000	59.90%
Mr. Prem Sethi	12,90,000	33.51%	40,000	39.90%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**f. Shareholding of Promoters at the end of the year**

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	No. of Share	% of Total Shares	% Change During the Period	No. of Share	% of Total Shares	% Change During the Period
Mr. Prabhat Agrawal	25,60,000	66.49%	66.49%	60,000	59.90%	-
Mr. Prem Sethi	12,90,000	33.50%	33.51%	40,000	39.90%	-

g.No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of two years immediately preceding the current year end.

h.No class of shares have been bought back by the Company during the period of two years immediately preceding the current year end.

**i. Private Placement allotment**

During the year ended 31 March 2022, the Company has issued and allotted 37,50,000 equity shares of face value INR 10/- each to the eligible equity shareholders at an issue price of INR 10/- per Equity Share aggregating to INR 37.50 million.



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22 Instruments entirely equity in nature

Preference share capital

Particulars

a. Authorised Share Capital

0.0001% Compulsory Convertible Preference shares (CCPS)

	As at 31 March 2022	As at 31 March 2021
Series A1 CCPS (March 22 : 49,54,99,900 ; March 21 : 39,54,99,900) of INR 10 each	4,955.00	3,955.00
Series A2 CCPS (March 22 : 16,94,99,900 ; March 21 : 16,94,99,900) of INR 10 each	1,695.00	1,695.00
Series A3 CCPS (March 22 : 35,00,000 ; March 21 : 29,00,000 ) of INR 10 each	35.00	29.00
Series A4 CCPS (March 22 : 3,18,50,200 ; March 21 : 3,18,50,200) of INR 10 each	318.50	318.50
<b>Total</b>	<b>7,003.50</b>	<b>5,997.50</b>

b. Issued, Subscribed and Paid-up:

Series A1 CCPS (March 22 : 44,19,99,900 ; March 21 : 36,89,99,900) of INR 10 each	4,420.00	3,690.00
Series A2 CCPS (March 22 : 15,09,26,729 ; March 21 : 12,59,99,900 ) of INR 10 each	1,509.27	1,260.00
Series A3 CCPS (March 22 : 29,00,000 ; March 21 : 29,00,000) of INR 10 each	29.00	29.00
Series A4 CCPS (March 22 : 2,31,63,347 ; March 21 : 19,2,12,500) of INR 10 each	231.63	192.12
<b>Total</b>	<b>6,189.90</b>	<b>5,171.12</b>

c. Reconciliation of preference shares outstanding at the beginning and at the end of the year

Particulars

Outstanding at the beginning of the year  
Add: Issued during the year  
Outstanding at the end of the year

As at 31 March 2022		As at 31 March 2021	
No of shares	Amount	No of shares	Amount
51,71,12,300	5,171.12	43,87,12,300	4,387.12
10,18,77,676	1,018.78	7,84,00,000	784.00
61,89,89,976	6,189.90	51,71,12,300	5,171.12

d. Rights, preferences and restrictions attached to shares

0.0001% Compulsory Convertible Preference shares (CCPS)

Terms of Conversion :

- (a) The holders of the CCPS may convert the CCPS in whole or part into 1 (one) Equity Share at any time before the expiry of 19 (nineteen) years from the date of issuance of the same subject to the adjustments as mentioned in Articles of Association, and the provisions of the Shareholders' Agreement. In the event the conversion of CCPS entitles the holder of CCPS to any fraction of an Equity Share, then such fraction shall be rounded up to the nearest whole number.
- (b) The holders of CCPS shall, at any time prior to 19 (nineteen) years from the date of issuance of the same, be entitled to call upon the Company to convert all or any of the CCPS. The CCPS, or any of them, if not converted earlier, shall automatically convert into Equity Shares at the then applicable conversion rate.

**Senior Rights:** The holders of A1 CCPS, A2 CCPS and A3 CCPS shall rank senior to Series A4 CCPS and all other preference shares and other instruments that are outstanding and which may be issued by the Company from time to time.

**Meeting and voting rights:** The holders of CCPS shall be entitled to attend meetings of all Shareholders of the Company and, will be entitled to such voting rights on an As If Converted Basis, as may be permissible under Applicable Law. Accordingly, but subject to adjustments as set forth herein, the holders of CCPS shall be entitled to the same number of votes for each CCPS as a holder of 1 (one) Equity Share would have on each Equity Share held, provided however that in the event of any adjustment in conversion the number of votes associated with each CCPS will change accordingly. The holders of CCPS shall be entitled to vote on all such matters which affect their rights directly or indirectly.



**Entero Healthcare Solutions Private Limited**

Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2022

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**e. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No of shares	%	No of shares	%
Series A1 CCPS are issued to Orbimed Asia III Mauritius Limited	44,19,99,900	100.00%	36,89,99,900	100.00%
Series A2 CCPS are issued to I M Investments Trust	15,09,26,729	100.00%	12,59,99,900	100.00%
Series A3 CCPS are issued to Mr. Prabhat Agrawal	17,40,000	60.00%	17,40,000	60.00%
Series A3 CCPS are issued to Mr. Prem Sethi	11,60,000	40.00%	11,60,000	40.00%
Series A4 CCPS are issued to Novacare Drug Specialities Private Limited	57,49,593	24.82%	48,00,000	24.98%
Series A4 CCPS are issued to K E Prakash	53,90,244	23.27%	45,00,000	23.42%
Series A4 CCPS are issued to Mr. Petros Diamantides	20,51,287	8.86%	17,12,500	8.91%
Series A4 CCPS are issued to R Prashanth	17,96,748	7.76%	15,00,000	7.81%
Series A4 CCPS are issued to Manoj K Sanghani	16,47,019	7.11%	13,75,000	7.16%
Series A4 CCPS are issued to Vikram Aditya Ambre	16,47,019	7.11%	13,75,000	7.16%
Series A4 CCPS are issued to Hemant Barros	11,97,832	5.17%	10,00,000	5.20%
	11,97,832	5.17%	10,00,000	5.20%
Series A4 CCPS are issued to Millennium Medicare Private Limited				

**f. Shareholding of Promoters at the end of the year**

Name of the Promoter	As at 31 March 2022			As at 31 March 2021		
	No. of Share	% of Total Shares	% Change During the Period	No. of Share	% of Total Shares	% Change During the Period
Mr. Prabhat Agrawal	17,40,000	60.00%	-	17,40,000	60.00%	-
Mr. Prem Sethi	11,60,000	40.00%	-	11,60,000	40.00%	-

**h. Private Placement allotment**

During the year ended 31 March 2022, the Company has issued and allotted 1,50,000 preference shares (Series A4 CCPS) of face value INR 10/- each to the eligible preference shareholders at an issue price of INR 10/- per preference share aggregating to INR 1.5 million.

**h. Right Issue**

During the year ended 31 March 2022, the Company has issued and allotted 10,17,27,676 preference shares (Series A1 CCPS: 7,30,00,000, Series A2 CCPS: 2,49,26,829, Series A4 CCPS: 3,80,0,847) of face value INR 10/- each to the eligible preference shareholders at an issue price of INR 10 per preference share aggregating to INR 1017.28 million.

**23 Other equity**

**i) Retained Earnings**

**Particulars**

Opening balance  
Add: Net loss for the year  
Add: Re-measurement loss on post employment benefit obligation (net of tax)  
Closing balance

As at 31 March 2022	As at 31 March 2021
(318.46)	(161.29)
(299.19)	(155.37)
(0.33)	(1.80)
<b>(617.98)</b>	<b>(318.46)</b>

**24 Non Controlling Interest**

**A Particulars**

Opening balance  
Add: Net Profit for the year  
Add: Re-measurement loss on post employment benefit obligation (net of tax)  
Closing balance

As at 31 March 2022	As at 31 March 2021
16.94	15.16
4.81	1.83
-	(0.05)
<b>21.75</b>	<b>16.94</b>





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25 Lease Liability

Particulars	As at 31 March 2022		As at 31 March 2021	
	Long term	Short term	Long term	Short term
At amortised cost (refer Note 41)				
Lease Liability	576.86	119.17	532.32	79.90
<b>Total</b>	<b>576.86</b>	<b>119.17</b>	<b>532.32</b>	<b>79.90</b>

26 Provisions

Particulars	As at 31 March 2022		As at 31 March 2021	
	Long term	Short term	Long term	Short term
a) Provision for employee benefits (Refer note 45)				
Provision for gratuity (unfunded)	44.32	7.00	27.45	6.86
Provision for leave encashment (unfunded)	10.33	3.54	-	6.89
b) Other provisions				
Provision for sales return	-	58.72	-	181.10
<b>Total Provisions</b>	<b>54.65</b>	<b>69.26</b>	<b>27.45</b>	<b>194.85</b>

27 Borrowings

Particulars	As at 31 March 2022		As at 31 March 2021	
	Long term	Short term	Long term	Short term
1) Term Loan(Secured) (Rate of interest 12 to 12.50%)	371.26	659.01		
2) Working capital loan from Banks(Secured): Cash credit*	-	1,810.65	-	1,408.53
3) Other Loans & Advances(Unsecured) Loans and advances from Others (Rate of interest: 0 to 12%)	-	9.36	-	8.50
<b>Total Borrowings</b>	<b>371.26</b>	<b>2,479.02</b>	<b>-</b>	<b>1,417.03</b>

i) Outstanding cash credit facility of INR 18,10.65 million (Previous year: INR 1,408.53 million : Secured against 25% margin on inventories and trade receivables in addition to fixed deposit to the extent of 20% of the facility amount & pari passu charge on entire current assets of borrower, present and future.  
(Facility amount INR 2,817 million; Rate of interest : Bank 1 year MCLR + 25 - 190 basis points; Effective interest rate for the period : 9.15 to 10.50 % p.a.)

Details of Guarantees given by holding Company:	Name of Subsidiary	As at 31 March 2022	As at 31 March 2021
Corporate Guarantees Given	Novacare Healthcare Solutions Private Limited	500.00	500.00
	Getwell Medicare Solution Private Limited	150.00	150.00
	Avenues Pharma Distributors Private Limited	350.00	300.00
	Chethana Healthcare Solutions Private Limited	50.00	50.00
	Chirag Medicare Solutions Private Limited	150.00	150.00
	R S M Pharma Private Limited	250.00	150.00
	G.S.Pharmaceutical Distributors Private Limited	80.00	80.00
	Chhabra Healthcare Solutions Private Limited	50.00	50.00
	Sundarlal Pharma Distributors Private Limited	70.00	70.00
	Galaxystar Pharma Distributors Private Limited	150.00	100.00
	SVMED Solutions Private Limited	150.00	-
	Vasavi Medicare Solutions Private Limited	150.00	-
	Barros Enterprises Private Limited	67.00	-
	Sesha Balajee Medisolutions Pvt Ltd	150.00	-
	Jaggi Enterprises Private Limited	120.00	100.00
	Western Healthcare Solutions Private Limited	80.00	-
	Chethana Pharma Private Limited	150.00	150.00
	Sri Rama Pharmaceutical Distributors Private Lim	226.62	-
	Sri Parshva Pharma Distributors private limited	303.64	-
	Millennium Medisolutions Private Limited	150.00	100.00
	Curever Pharma Private Limited	200.00	-



28 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises	23.42	10.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,374.37	956.70
<b>Total trade payables</b>	<b>1,397.79</b>	<b>967.40</b>

Disclosure relating to suppliers registered under MSMED Act based on the information available with The Group:

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	23.42	10.70
Principal	23.42	10.70
Total	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

As at 31 March 2022	Outstanding for Following years from the date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Particulars					
MSME	23.42	-	-	-	23.42
Disputed Dues - MSME	-	-	-	-	-
Other	1,359.54	10.70	4.13	-	1,374.37
Disputed Dues - Others	-	-	-	-	-

As at 31 March 2021	Outstanding for Following years from the date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Particulars					
MSME	10.70	-	-	-	10.70
Disputed Dues - MSME	-	-	-	-	-
Other	952.98	3.72	-	-	956.70
Disputed Dues - Others	-	-	-	-	-

29 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Employee liabilities	97.14	74.14
Current maturities of long term debt	-	0.20
Other Financial Liabilities	312.00	31.92
Interest accrued and due on borrowings	1.41	1.90
<b>Total other financial liabilities</b>	<b>410.55</b>	<b>108.16</b>

30 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	54.38	34.34
Other current liabilities	-	0.07
Other Payables	64.92	42.62
Advance from Customers	0.03	39.50
<b>Total other current liabilities</b>	<b>119.33</b>	<b>116.53</b>



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31 Revenue from operations

Particulars
Sale of Traded goods
Other Operative Revenue
Total revenue from operations

For the Year ended 31 March 2022	For the Year ended 31 March 2021
25,152.67	17,731.04
44.97	-
25,197.64	17,731.04

Analysis of revenues by segments:

Particulars
Trading of pharmaceutical and surgical products.

Revenue based on Geography
Domestic
Export
Total

For the Year ended 31 March 2022	For the Year ended 31 March 2021
25,197.64	17,731.04
25,197.64	17,731.04

Revenue based on timing of recognition
Revenue recognition at a point in time
Revenue recognition over period of time
Total

For the Year ended 31 March 2022	For the Year ended 31 March 2021
25,197.64	17,731.04
25,197.64	17,731.04

32 Other income

Particulars
Interest income
- on fixed deposits designated as amortized cost
- on intercorporate deposit
- Other interest income
- Interest on unwinding of security deposits
Net gain or loss on foreign currency transaction and translation
Commission Income on sales
Marketing support
Miscellaneous income
Total other income

For the Year ended 31 March 2022	For the Year ended 31 March 2021
28.52	22.24
0.12	0.17
1.92	4.03
3.83	2.99
1.58	3.83
-	1.13
3.82	49.72
28.05	21.52
67.84	105.63

33 Purchase of Stock-in-trade  
Purchases of Stock-in-trade  
Total

For the Year ended 31 March 2022	For the Year ended 31 March 2021
23,778.19	16,865.68
23,778.19	16,865.68

34 Changes in inventories of stock-in-trade  
Inventories at the beginning of the year  
-Stock in trade

For the Year ended 31 March 2022	For the Year ended 31 March 2021
2,439.25	1,954.97
2,439.25	1,954.97

Less: Inventories at the end of the year  
-Stock in trade

For the Year ended 31 March 2022	For the Year ended 31 March 2021
3,093.07	2,439.26
3,093.07	2,439.26
(653.82)	(484.29)

Net increase

35 Employee benefits expense

Particulars
Salaries, wages, bonus and other allowances
Contribution to Provident Fund and other funds
Gratuity and leave encashment (Refer Note 45)
Leave Obligation
Staff welfare expenses
Total employee benefits expense

For the Year ended 31 March 2022	For the Year ended 31 March 2021
1,033.97	679.36
51.53	37.20
17.35	8.25
7.42	4.84
28.35	19.78
1,138.62	749.43





Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>36 Finance costs</b>		
Interest Expenses	197.05	104.04
On bank loan	0.96	0.96
On Loan from Others	1.30	0.19
On delay in payment of taxes	61.64	58.61
On Lease Liabilities	9.95	-
Processing Charges	0.11	19.90
Others	18.77	16.68
Bank charges	289.78	200.38
<b>Total finance costs</b>		
<b>37 Depreciation and amortization expense</b>	192.33	160.89
Depreciation (Refer note 5)	5.21	1.87
Amortization (Refer note 7)	197.54	162.76
<b>Total depreciation and amortization expense</b>		
<b>38 Other expenses</b>	14.73	19.60
Rent	3.21	2.83
Rates and taxes	102.48	68.45
Legal and professional charges	54.98	32.07
Travelling expenses	9.69	11.35
Brokerage	40.69	33.89
Power and fuel	19.01	16.78
Repairs and maintenance	177.64	114.48
Distribution Cost	12.18	12.31
Outsource Servicing Expenses	24.15	16.83
Printing and stationery	11.24	14.22
Commission Expenses	13.84	8.75
Communication expenses	70.98	17.73
Business promotion expenses	62.50	14.05
Provision for impairment loss	10.36	6.13
IT Expenses	2.36	1.26
Subscription Expenses	2.13	1.01
Office Expenses	7.71	6.44
Auditor's remuneration (Refer note below)	0.78	0.73
Security expenses	2.45	1.29
Housekeeping Expenses	16.33	6.00
Sign on Amount	0.61	0.45
Office Aircon Charges	13.39	7.77
Insurance	39.84	36.67
Miscellaneous expenses	713.28	451.09
<b>Total other expenses</b>		
*Note : The following is the break-up of Auditors remuneration including auditors of subsidiaries (exclusive of taxes)		
<b>As auditor:</b>	6.61	5.32
Statutory audit		
<b>In other capacity:</b>	0.96	0.70
Tax audit	0.14	0.42
Other matters	7.71	6.44
<b>Total</b>		
<b>39 Income Tax</b>		
<b>Particulars</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
<b>Current tax</b>	98.43	45.58
Current tax on profits for the year	0.21	1.26
Adjustments for current tax of prior years	98.64	46.84
<b>Total Current tax</b>		
<b>Deferred tax</b>	(2.36)	(1.68)
Deferred tax expense (income)	96.28	45.16
<b>Total tax expense</b>		
<b>40 Earnings per share</b>		
<b>Particulars</b>	<b>For the Year ended 31 March 2022</b>	<b>For the Year ended 31 March 2021</b>
Loss attributable to the equity holders of the Company (A) (INR)	(299.19)	(155.37)
Weighted Average number of shares issued for Basic EPS (B)	15,59,104	1,00,200
Adjustment for calculation of Diluted EPS (C)	-	-
Weighted Average number of shares issued for Diluted EPS (D= B+C)	(191.90)	(1,550.60)
<b>Basic EPS in INR</b>	(191.90)	(1,550.60)
<b>Diluted EPS in INR</b>		



41 Disclosure related to Leases  
Group as Lessee

(A) Carrying value of right of use assets at the end of the reporting year

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	558.77	553.72
Additions	183.67	105.41
Deletion	(5.51)	-
Depreciation charge for the year	(120.33)	(100.36)
Balance at the end of the year	616.60	558.77

(B) Carrying value of lease liability at the end of the reporting year

Balance at the beginning of the year	612.22	575.76
Additions	178.28	78.79
Deletion	(5.86)	-
Interest on lease liability	60.86	58.60
Gain on modification	0.35	-
Payment made during the year	(149.82)	(100.93)
Balance at the end of the year	696.03	612.22

(D) Maturity analysis of lease liabilities

Less than one year	179.07	134.85
One to five years	549.75	441.86
More than five years	172.92	249.83
Total undiscounted lease liabilities at reporting period	901.74	826.54
Lease liabilities included in the statement of financial position at the year ended	696.03	612.22

(E) Amounts recognised in statement of profit or loss

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Interest on lease liabilities	61.64	58.61
Expenses relating to short-term leases	14.73	19.60
	76.37	78.20

(F) Amounts recognised in the statement of cash flows  
Total Cash outflow for leases

	150.25	100.93
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42 Impairment testing of Goodwill

Goodwill is tested for impairment annually on 31 March every year. Company operates in single segment/ Cash Generating Unit(CGU).

The recoverable amount of a CGU is based on higher of fair value less costs to sell and value in use. 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 participant at measurement date. Value in use is present value of future cash flow expected to be derived from an assets (CGU). The value in use is estimated using discounted cash flows over a period of 5 years and Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using appropriate discount rate. This fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	9.8% - 12%	9.8% - 12%
Terminal value growth rate	7%	7%
Revenue growth rate	15%	15%

With regard to assessment of recoverable amount, no reasonably possible change in any of the above key assumptions would cost the carrying amount of the CGU's to exceed their recoverable amount.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Company has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of CGU to exceed its value in use.



#### 43 Fair value measurements

##### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying Amount				Fair Value		
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3
<b>Financial assets and liabilities as at 31 March 2022</b>							
<b>Non-current financial assets</b>	-	-	67.46	67.46	-	-	67.46
Other Financial Assets	-	-	67.46	67.46	-	-	67.46
<b>Current financial assets</b>	-	-	3,745.99	3,745.99	-	-	3,745.99
Trade receivables	-	-	465.08	465.08	-	-	465.08
Cash and cash equivalents	-	-	588.90	588.90	-	-	588.90
Bank balances other than cash and cash equivalent	-	-	10.22	10.22	-	-	10.22
Loans	-	-	15.37	15.37	-	-	15.37
Other financial assets	-	-	4,893.02	4,893.02	-	-	4,893.02
<b>Total</b>	-	-	4,893.02	4,893.02	-	-	4,893.02
<b>Non-current financial liabilities</b>	-	-	576.86	576.86	-	-	576.86
Lease Liabilities	-	-	371.26	371.26	-	-	371.26
Borrowings	-	-	-	-	-	-	-
<b>Current financial liabilities</b>	-	-	119.17	119.17	-	-	119.17
Lease Liabilities	-	-	1,397.79	1,397.79	-	-	1,397.79
Trade payables	-	-	2,479.02	2,479.02	-	-	2,479.02
Borrowings	-	-	410.55	410.55	-	-	410.55
Other financial liabilities	-	-	5,354.65	5,354.65	-	-	5,354.65
<b>Total</b>	-	-	5,354.65	5,354.65	-	-	5,354.65
<b>Financial assets and liabilities as at 31 March 2021</b>							
<b>Non-current financial assets</b>	-	-	63.93	63.93	-	-	63.93
Other Financial Assets	-	-	63.93	63.93	-	-	63.93
<b>Current financial assets</b>	-	-	2,421.52	2,421.52	-	-	2,421.52
Trade receivables	-	-	323.14	323.14	-	-	323.14
Cash and cash equivalents	-	-	505.10	505.10	-	-	505.10
Bank balances other than cash and cash equivalent	-	-	7.52	7.52	-	-	7.52
Loans	-	-	6.27	6.27	-	-	6.27
Other financial assets	-	-	3,327.48	3,327.48	-	-	3,327.48
<b>Total</b>	-	-	3,327.48	3,327.48	-	-	3,327.48
<b>Non-current financial liabilities</b>	-	-	532.32	532.32	-	-	532.32
Lease Liabilities	-	-	532.32	532.32	-	-	532.32
<b>Current financial liabilities</b>	-	-	79.90	79.90	-	-	79.90
Lease Liabilities	-	-	967.40	967.40	-	-	967.40
Trade payables	-	-	1,417.03	1,417.03	-	-	1,417.03
Borrowings	-	-	108.16	108.16	-	-	108.16
Other financial liabilities	-	-	3,104.81	3,104.81	-	-	3,104.81
<b>Total</b>	-	-	3,104.81	3,104.81	-	-	3,104.81

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.





**Entero Healthcare Solutions Private Limited**

**Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2022**

(₹ in Million, unless otherwise stated)

**44 Business Combination**

**Western Healthcare Solutions Private Limited**

**i Acquisition of Western Agencies**

- a On 01 April 2021, the Company completed the acquisition of the Western Agencies a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 157.5 million including deferred consideration of INR 72.5 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 120 days of closing date and milestone payment payable on achieving Sales, EBITDA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103. The acquisition is in line with the Company's strategic to strengthen the position in Kerala market.

**b Purchase consideration transferred:**

Particulars	Amount
Lump sum consideration (including contingent consideration)	157.50

**c Assets acquired and liabilities assumed:**

Particulars	Amount
Property, Plant and Equipment	1.98
Inventories	69.78
Trade Receivables	49.76
Other Current Assets	0.65
Gratuity	(1.62)
Trade Payable	(42.16)
<b>Total identifiable net assets</b>	<b>78.39</b>

**d Amount recognized as Goodwill:**

Particulars	Amount
Fair value of consideration transferred	157.50
Less: Fair value of the net assets acquired	(78.39)
<b>Goodwill</b>	<b>79.11</b>

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 50.41 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

**City Pharma Distributors Private Limited**

**i Acquisition of City Pharma Distributors**

- a On 14th April 2021, the Company completed the acquisition of the City Pharma Distributors a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 11.36 million including deferred consideration of INR 7.2 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBITDA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103. The acquisition is in line with the Company's strategic to strengthen the position in Bangalore market.

**b Purchase consideration transferred:**

Particulars	Amount
Lump sum consideration (including contingent consideration)	18.56

**c Assets acquired and liabilities assumed:**

Particulars	Amount
Property, Plant and Equipment	0.31
Inventories	8.95
Trade Receivables	5.58
Trade Payable	(5.28)
<b>Total identifiable net assets</b>	<b>9.56</b>

**d Amount recognized as Goodwill:**

Particulars	Amount
Fair value of consideration transferred	18.56
Less: Fair value of the net assets acquired	(9.56)
<b>Goodwill</b>	<b>9.00</b>

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 5.58 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



**Atreja Healthcare Solutions Private Limited**

**I Acquisition of Atreja Medical Store**

- a On 14 April 2021, the Company completed the acquisition of Atreja Medical Store a proprietorship firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 20.46 million including deferred consideration of INR 2.5 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 150 days of closing date and milestone payment payable on achieving EBITDA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103. The acquisition is in line with the Company's strategic intent to enter in Karnal, Haryana market.

**b Purchase consideration transferred:**

Particulars

Lump sum consideration (including contingent consideration)

**Amount**

**20.46**

**c Assets acquired and liabilities assumed:**

Particulars

Inventories

Trade receivables

Trade payables

Total identifiable net assets

**Amount**

7.93

7.13

(4.60)

**10.46**

**d Amount recognized as Goodwill:**

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

**Amount**

20.46

(10.46)

**10.00**

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 7.13 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

**New Siva Agencies Private Limited**

**I Acquisition of Siva Agencies**

- a On 02 December 2021, the Company completed the acquisition of the Siva Agencies a proprietorship firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 62.64 million including deferred consideration of INR 21.2 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBITDA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103. The acquisition is in line with the Company's strategic to strengthen the position in Chennai market.

**b Purchase consideration transferred:**

Particulars

Lump sum consideration (including contingent consideration)

**Amount**

**62.64**

**c Assets acquired and liabilities assumed:**

Particulars

Property, Plant and Equipment

Inventories

Trade Receivables

Other Current Assets

Trade Payable

Other Current Liability

Total identifiable net assets

**Amount**

1.74

12.52

22.21

2.93

(3.52)

(0.43)

**35.45**

**d Amount recognized as Goodwill:**

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

**Amount**

62.64

(35.45)

**27.19**

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 22.21 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



**New RRPD Private Limited**

**I Acquisition of New R R Pharmaceuticals Distributors**

- a On 03 December 2021, the Company completed the acquisition of the New R R Pharmaceuticals Distributors a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 44.00 million including deferred consideration of INR 13.9 million payable on transfer of at least 90% of new supplier code by acquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBITDA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103. The acquisition is in line with the Company's strategic to strengthen the position in Chennai market.

**b Purchase consideration transferred:**

Particulars	Amount
Lump sum consideration (including contingent consideration)	44.00

**c Assets acquired and liabilities assumed:**

Particulars	Amount
Assets acquired	0.54
Property, Plant and Equipment	17.94
Inventories	14.04
Trade Receivables	1.66
Other Current Assets	(7.83)
Trade Payable	(0.15)
Other Current Liability	26.20
<b>Total identifiable net assets</b>	

**d Amount recognized as Goodwill:**

Particulars	Amount
Fair value of consideration transferred	44.00
Less: Fair value of the net assets acquired	(26.20)
<b>Goodwill</b>	<b>17.80</b>

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 14.04 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

**Sri Parshva Pharma Distributors Private Limited**

**I Acquisition of Sri Parshva Drug House**

- a On 01 February 2022, the Company completed the acquisition of the Sri Parshva Drug House a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 551.78 million including deferred consideration of INR 85.00 Million payable on transfer of at least 90% of new supplier code by acquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving EBITDA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103. The acquisition is in line with the Company's strategic intent to enter in Bangalore market.

**b Purchase consideration transferred:**

Particulars	Amount
Lump sum consideration (including contingent consideration)	551.78

**c Assets acquired and liabilities assumed:**

Particulars	Amount
Assets acquired	32.31
Property, Plant and Equipment	147.05
Inventories	276.40
Trade receivables	(73.07)
Trade payables	382.69
<b>Total identifiable net assets</b>	

**d Amount recognized as Goodwill:**

Particulars	Amount
Fair value of consideration transferred	551.78
Less: Fair value of the net assets acquired	(382.69)
<b>Goodwill</b>	<b>169.09</b>

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 276.40 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



**Sri Rama Pharmaceutical Distributors Private Limited**

**I Acquisition of Sri Rama Pharmaceutical Distributors**

- a On 01 March 2022, the Company completed the acquisition of the Sri Rama Pharmaceutical Distributors a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 562.94 million including deferred consideration of INR 214.3 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 150 days of closing date and milestone payment payable on achieving EBITDA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic intent to enter in Hyderabad market.

**b Purchase consideration transferred:**

**Particulars**

Lump sum consideration (including contingent consideration)

**Amount**

562.94

**c Assets acquired and liabilities assumed:**

**Particulars**

**Assets acquired**

Property, Plant and Equipment

Inventories

Trade receivables

Trade payables

Total identifiable net assets

**Amount**

0.30

73.09

305.45

(98.39)

280.44

**d Amount recognized as Goodwill:**

**Particulars**

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

**Amount**

562.94

(280.44)

282.50

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 305.45 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

**Swami Medisolutions Private Limited**

**I Acquisition of Swami Medical Hall**

- a On 21 December 2021, the Company completed the acquisition of M/s Swami Medical Hall, a proprietorship firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 51.35 million including deferred consideration of INR 4 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 150 days of closing date and milestone payment payable on achieving EBITDA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic intent to enter in Amritsar, Punjab market.

**b Purchase consideration transferred:**

**Particulars**

Lump sum consideration (including contingent consideration)

**Amount**

51.35

**c Assets acquired and liabilities assumed:**

**Particulars**

Property, Plant and Equipment

Inventories

Trade receivables

Trade payables

Total identifiable net assets

**Amount**

0.29

24.21

24.22

(10.36)

38.35

**d Amount recognized as Goodwill:**

**Particulars**

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

**Amount**

51.35

(38.35)

13.00

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 24.22 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.





45 Contingent liabilities & commitments

	As at 31 March 2022	As at 31 March 2021
Particulars		
Estimated Amount of contracts remaining to be executed on capital account	-	3.00
Bank guarantees	0.12	0.12

46 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The Managing director of the Company acts as the (CODM). The Company operates only in one business segment i.e. trading of pharmaceutical and surgical products and hence, the Company does not have any separate reportable segments as per Ind AS 108 "Operating Segments".

47 Capital Management

The primary objective of the company's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 march 2022, 31 march 2021. The company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The company's adjusted net debt to equity ratio is as follows.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Borrowings</b>	2,850.28	1,417.03
Long term and Short term borrowings	(465.08)	(323.14)
Less: cash and cash equivalents	(588.90)	(505.10)
Less: Bank balances other than cash and cash equivalents	<b>1,796.30</b>	<b>588.79</b>
<b>Adjusted net debt</b>	<b>5,632.17</b>	<b>4,870.60</b>
Total Equity	0.32	0.12
<b>Adjusted net debt to adjusted equity ratio</b>		



#### 48 Financial Risk Management

The Group has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of The Group. Together they help in achieving the business goals and objectives consistent with The group's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/committees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Group's financial risk management is an integral part of how to plan and execute its business strategies.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

##### (A) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

##### i) Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

In compliance with the requirement of Ind AS 109, The Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and The Group's historical experience for customers. 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 is based on the ageing of the receivable days and the rates as given in the provision matrix.

##### (B) Liquidity risk

Liquidity risk is the risk that The Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

##### (i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

##### Contractual maturities of financial liabilities 31 March 2022

Lease Liabilities
Borrowings
Trade Payables
Other financial liabilities
<b>Total</b>

1 year or less	1-5 years	More than 5 years	Total
179.07	549.75	172.92	901.74
2,479.02	371.26	-	2,850.28
1,397.79	-	-	1,397.79
410.55	-	-	410.55
<b>4,466.44</b>	<b>921.01</b>	<b>172.92</b>	<b>5,560.36</b>

##### Contractual maturities of financial liabilities 31 March 2021

Lease Liabilities
Borrowings
Trade Payables
Other financial liabilities
<b>Total</b>

1 year or less	1-5 years	More than 5 years	Total
134.85	441.86	249.83	826.54
1,417.03	-	-	1,417.03
967.40	-	-	967.40
108.16	-	-	108.16
<b>2,627.44</b>	<b>441.86</b>	<b>249.83</b>	<b>3,319.13</b>



**(C) Market Risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's exposure to, and management of, these risks is explained below.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. the Group caters mainly to the Indian Market. Most of the transactions are denominated in the Group's functional currency i.e. Rupees. Hence the Group is not materially exposed to Foreign Currency Risk.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
	2,850.28	1,417.03
Variable rate borrowings		
Fixed rate borrowings		

**Sensitivity:**

A change of 100 basis points in interest rates would have following impact on profit tax tax and equity -

Particulars	As at 31 March 2022	As at 31 March 2021
	21.09 (21.09)	10.49 (10.49)
Interest rates – decrease by 100 basis points		
Interest rates – increase by 100 basis points		



#### 49 Employee benefits

##### i. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

- Provident Fund
- Employee state insurance fund
- Labour welfare fund

The expense recognised during the period towards defined contribution plan -

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Contribution to Provident Fund	41.28	29.08
Employers Contribution to Employee state insurance	10.05	7.95
Employers Contribution to Labour welfare fund	0.20	0.17
<b>Total</b>	<b>51.53</b>	<b>37.20</b>

##### ii. Defined benefit plans

###### Gratuity

The Company has a unfunded Gratuity Scheme for its employees and gratuity liability has been provided based on the actuarial valuation done at the year end. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

The actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

Sr No	Defined benefit plans	For the Year ended 31 March 2022 Gratuity (Unfunded)	For the Year ended 31 March 2021 Gratuity (Unfunded)
I	<b>Expenses recognised in statement of profit and loss during the year:</b>	14.90	9.07
	Current service cost	2.45	1.87
	Net interest cost / (income) on the net defined benefit liability / (asset)	17.35	10.94
	<b>Total expenses</b>		
II	<b>Included in other comprehensive income</b>	(3.70)	(5.75)
	<b>Amount recognized in OCI, Beginning of Period</b>		
	Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations	(0.35)	(0.45)
	Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations	(0.10)	2.47
	Actuarial (gains) / losses due to experience on defined benefit obligations	0.71	0.03
	Total Remeasurements recognized in OCI	0.26	2.05
	<b>Amount recognized in OCI, End of Period</b>	<b>(3.44)</b>	<b>(3.70)</b>





Entero Healthcare Solutions Private Limited  
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(₹ in Million, unless otherwise stated)

Sr No	Defined benefit plans	For the Year ended 31 March 2022	For the Year ended 31 March 2021
		Gratuity (Unfunded)	Gratuity (Unfunded)
III	Net liability recognised as at balance sheet date:		
	Present value of defined benefit obligation	(51.33)	(34.31)
	Deficit	(51.33)	(34.31)
IV	Movements in present value of defined benefit obligation	34.31	25.65
	Present value of defined benefit obligation at the beginning of the year	14.80	8.80
	Current service cost	-	0.19
	Past service cost	2.47	1.87
	Interest cost	1.61	-
	Acquisition cost	0.26	1.86
	Actuarial (gains) / loss	(2.12)	(4.06)
	Benefits paid	51.33	34.31
	Present value of defined benefit obligation at the end of the year		
V	Maturity profile of defined benefit obligation		
	Expected cash flows for future years (valued on undiscounted basis):	7.18	7.07
	1st Following Year	6.36	3.39
	2nd Following Year	6.06	3.51
	3rd Following Year	6.96	4.24
	4th Following Year	7.17	4.66
	5th Following Year	24.62	15.23
	Sum of Years 6 To 10	20.76	10.60
	Sum of Years 11 and above		
VI	Quantitative sensitivity analysis for significant assumptions is as below:		
1	Increase / (decrease) on present value of defined benefit obligation at the end of the year	(2.64)	(1.56)
	(i) +1% increase in discount rate	2.91	1.73
	(ii) -1% decrease in discount rate	2.84	1.78
	(iii) +1% increase in rate of compensation levels	(2.66)	(1.61)
	(iv) -1% decrease in rate of compensation levels		
2	Sensitivity analysis method		
	The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.		
	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.		
	There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.		
VIII	Actuarial assumptions:	As at 31 March 2022	As at 31 March 2021
1	Discount rate	6.30%-6.80%	6.30%-6.80%
2	Expected Rate of increase in compensation levels	6.00%-10.00%	6.00%-10.00%
3	Withdrawal Rate	5.00%-33.00%	5.00%-33.00%
4	Mortality Rate During Employment	IALM (2012-14) Ultimate 55-58 years	IALM (2012-14) Ultimate 55-58 years
5	Retirement age		

**Leave Encashment**

The amount recognized as an expense in respect of compensated absences is INR 7.42 million (31 March 2021: INR 4.84 million )



50 Information of related party transactions as required by Ind AS 24 - Related Party Disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Key Management Personnel and their relative:	Prabhat Agrawal (Managing Director)
	Prem Sethi (Director)
	Sunny Sharma (Director)
	Arun Sadhanandham (Director)
	Vipul Desai (Director)
	Jayant Prakash (Company Secretary)

B. Details of related party transactions:

Nature of Transaction	Name of the related party	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Purchase of Stock in trade	Medmate Pharma Private Limited (formerly known as Getwell Enterprises Private Limited)	-	4.45
Remuneration Paid	Prabhat Agrawal	31.20	28.78
	Prem Sethi	15.78	12.88
	Jayant Prakash	1.58	-
Consultancy	Getwell Pharmaceuticals	2.40	2.40

C. Details of balances outstanding for related party transactions:

Nature of Transaction	Name of the related party	As at 31 March 2022	As at 31 March 2021
Loans & Advances Given	Novacare Drug Specialities Private Limited	5.20	5.20
Other Current Liabilities	Novacare Drug Specialities Private Limited	-	0.02

D. Key management personnel compensation:

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
Director Remuneration:		
Salaries and Allowances	48.56	41.66

Key managerial personnel who are under the employment of the Group are entitled to post employment benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for The Group as a whole and hence excluded.

E. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



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51 Additional information as required by paragraph 2 of the general instructions for preparations of consolidated financial statements:-

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in Total comprehensive income	
	INR	% of consolidated net assets	INR	% of consolidated profit or loss	INR	% of consolidated OCI	INR	% of consolidated Total comprehensive income
<b>Holding company</b>								
Entero Healthcare Solutions Private Limited	5,512.06	97.87%	(408.47)	138.76%	(0.12)	35.30%	(408.59)	138.80%
<b>Subsidiaries Company</b>								
Novacare Healthcare Solutions Private Limited	47.02	0.83%	(1.24)	0.42%	0.37	(113.58%)	(0.87)	0.30%
G.S.Pharmaceutical Distributors Private Limited	18.72	0.33%	(5.89)	2.00%	(0.06)	18.42%	(5.95)	2.02%
R S M Pharma Private Limited	53.48	0.95%	33.01	(11.21%)	0.57	(174.98%)	33.58	(11.40%)
Getwell Medicare Solutions Private Limited	145.10	2.58%	32.04	(10.88%)	0.06	(18.38%)	32.10	(10.89%)
Sundarlal Pharma Distributors Private Limited	(56.98)	(1.01%)	(8.10)	2.75%	(0.04)	12.28%	(8.14)	2.76%
Chhabra Healthcare Solutions Private Limited	(18.94)	(0.34%)	(9.53)	3.24%	(0.07)	20.87%	(9.59)	3.26%
Galaxystar Pharma Distributors Private Limited	5.33	0.09%	23.94	(8.13%)	(0.16)	47.87%	23.78	(8.07%)
Avenues Pharma Distributors Private Limited	2.05	0.04%	3.84	(1.30%)	0.02	(7.62%)	3.86	(1.31%)
Chirag Medicare Solutions Private Limited	118.51	2.10%	54.65	(18.56%)	0.01	(4.57%)	54.66	(18.55%)
Jaggi Enterprises Private Limited	(4.57)	(0.08%)	4.23	(1.44%)	(0.25)	75.82%	3.98	(1.35%)
Chethana Healthcare Solutions Private Limited	9.59	0.17%	3.40	(1.16%)	(0.05)	15.35%	3.35	(1.14%)
Vasavi Medicare Solutions Private Limited	1.78	0.03%	3.37	(1.15%)	0.04	(10.79%)	3.41	(1.16%)
SVMED Solutions Private Limited	21.87	0.39%	13.65	(4.64%)	(0.00)	0.36%	13.65	(4.63%)
Chethana Pharma Private Limited	125.84	2.23%	58.54	(19.89%)	(0.01)	4.59%	58.53	(19.86%)
Millennium Medisolutions Private Limited	20.08	0.36%	8.65	(2.54%)	(0.28)	86.69%	8.37	(2.84%)
Rada Medisolutions Private Limited	(6.85)	(0.12%)	1.72	(0.58%)	(0.02)	6.14%	1.70	(0.58%)
Sesha Balajee Medisolutions Private Limited	15.92	0.28%	13.94	(4.74%)	(0.04)	13.05%	13.90	(4.72%)
Barros Enterprises Private Limited	32.33	0.57%	16.92	(5.75%)	(0.14)	43.90%	16.77	(5.69%)
Chethana Pharma Distributors Private Limited	(7.82)	(0.14%)	(4.56)	1.55%	0.05	(16.83%)	(4.51)	1.53%
Sree Venkateshwara Medisolutions Private Limited	(4.01)	(0.07%)	(1.94)	0.66%	(0.05)	16.29%	(2.00)	0.68%
CPD Pharma Private Limited	(1.50)	(0.03%)	(3.84)	1.30%	0.08	(23.02%)	(3.76)	1.28%
Calcutta Medisolutions Private Limited	(1.38)	(0.02%)	(1.59)	0.54%	(0.02)	4.89%	(1.61)	0.55%
Curever Pharma Private Limited	(177.29)	(3.15%)	(167.13)	56.77%	0.03	(10.16%)	(167.10)	56.70%
Rimedio Pharma Private Limited	0.03	0.00%	(0.04)	0.01%	-	0.00%	(0.04)	0.01%
Quoromed Life Sciences Private Limited	0.03	0.00%	(0.04)	0.01%	-	0.00%	(0.04)	0.01%
Western Healthcare Solutions Private Limited	19.62	0.35%	19.72	(6.70%)	(0.25)	78.10%	19.47	(6.61%)
City Pharma Distributors Private Limited	(2.97)	(0.05%)	(3.07)	1.04%	-	0.00%	(3.07)	1.04%
Atreja Healthcare Solutions Private Limited	(1.11)	(0.02%)	(1.21)	0.41%	-	0.00%	(1.21)	0.41%
New Siva Agencies Private Limited	0.50	0.01%	0.40	(0.14%)	-	0.00%	0.40	(0.14%)
New RRPD Private Limited	1.16	0.02%	1.06	(0.36%)	-	0.00%	1.06	(0.36%)
Swami Medisolutions Private Limited	(1.76)	(0.03%)	(1.86)	0.63%	-	0.00%	(1.86)	0.63%
Zennx Software Solutions Private Limited	0.08	0.00%	(0.02)	0.01%	-	0.00%	(0.02)	0.01%
Sri Parshva Pharma Distributors Private Limited	1.46	0.03%	1.36	(0.46%)	-	0.00%	1.36	(0.46%)
Sri Rama Pharmaceutical Distributors Private Limited	(1.63)	(0.03%)	(1.68)	0.57%	0.00	(0.00%)	(1.68)	0.57%
<b>Sub Total</b>	<b>5,865.78</b>	<b>103.87%</b>	<b>(325.75)</b>	<b>111.05%</b>	<b>(0.33)</b>	<b>100.00%</b>	<b>(326.07)</b>	<b>110.80%</b>
Inter Company elimination & Consolidation adjustment	(255.4)	(4.53%)	26.55	(9.02%)	-	0.00%	26.55	(9.01%)
Minority Interest	21.75	0.39%	4.81	(1.63%)	-	0.00%	4.81	(1.63%)
	<b>5,632.17</b>	<b>100%</b>	<b>(294.38)</b>	<b>100%</b>	<b>(0.33)</b>	<b>100%</b>	<b>(294.71)</b>	<b>100%</b>



55 Ratio Analysis

Particulars	Numerator	Denominator	31 March 2022	31 March 2021	% change from 31 March 2021 to 31 March 2022
a) Current Ratio	Current Assets	Current Liabilities	1.85	2.19	-15.64%
(b) Debt-Equity Ratio	Short term and long term borrowings	Total Equity	0.51	0.29	73.95%
Explanation	The Group has borrowed fund during the year, resulting in increase in debt equity ratio.				
(c) Debt Service Coverage Ratio	Earning before Interest and Tax	Short term and long term borrowings	0.03	0.06	-50.46%
Explanation	The Group has borrowed fund during the year, resulting in decrease in debt service coverage ratio.				
(d) Return on Equity Ratio	Net Profit After Tax	Total Equity	(0.05)	(0.03)	-64.08%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	8.35	7.47	11.71%
(f) Trade Receivables turnover ratio	Trade receivables	Net credit sales	0.15	0.14	8.86%
(g) Trade payables turnover ratio	Trade payable	Credit purchases	0.06	0.06	2.49%
(h) Net capital turnover ratio	Sales	Working Capital (Current Assets-Current Liabilities)	0.15	0.19	-20.15%
(i) Net profit ratio	Net profit after tax	Net Sales	(0.01)	(0.01)	-33.46%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(j) Return on Capital employed	Net profit after tax	Capital Employed	(0.04)	(0.03)	-36.88%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(k) Return on investment	Net profit after tax	Average Total Assets	(0.03)	(0.02)	-53.20%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				

56 Other Statutory Information:

- The Group do not have any Benami property, where any proceeding has been initiated or pending against The Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory year.
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have not advanced or extended loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 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 Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 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 November 13, 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 year in which, the Code becomes effective and the related rules to determine the financial impact are published.
- The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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.
- The Group has not been declared wilful defaulter by any bank or financial institution or by any government authorities.

X) Disclosure of Loans or Advances granted to related parties( as defined under Companies Act, 2013):-

a) Repayable on demand (Unsecured)

	As at 31 March 2022	% of total loans	As at 31 March 2021	% of total loans
Related Parties	5.20	50.88%	5.20	69.15%





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52 Reconciliation of quarterly returns or statements filed with banks or financial institutions

Quarter	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	Difference (in INR million)	Reason for material discrepancies
31 March 2022	HDFC, RBL, Indusind, Axis, IDFC & ICICI Bank	Inventory	2257.43	2261.09	{3.65}	Reclassification & year end closing adjustments.
		Creditors	1118.32	1231.98	(113.66)	
		Debtors	2746.58	2711.79	34.79	

53 Statement of unhedged foreign currency exposure:

Particulars  
Advance to vendors

As at 31 March 2022		As at 31 March 2021	
Amount in USD(million)	Amount	Amount in USD(million)	Amount
0.05	3.58	0.12	8.93

54 Disclosure of Business combination that took place subsequent to year end:-

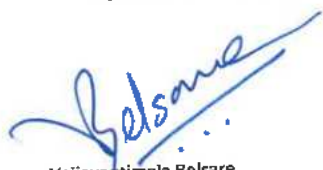
Name of entity	Date of acquisition	% of holding
Saurashtra Medisolutions Private Limited	01-May-22	100%
SVS Lifesciences Private Limited	24-Jun-22	100%
S.S. Pharma Traders Private Limited	18-Aug-22	100%



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57 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification.

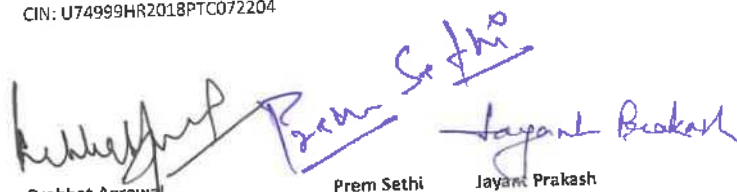
As per our report of even date  
For M S K A & Associates  
Chartered Accountants  
Firm Registration No.:105047W



Vaijaya Nitimela Belsare  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 22 December 2022



For and on behalf of the Board of Directors  
Entero Healthcare Solutions Private Limited  
CIN: U74999HR2018PTC072204



Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 21 December 2022

Prem Sethi  
Director  
DIN: 07077034

Jayant Prakash  
Company Secretary  
M.N.: FCS-6742

