

NOTICE

NOTICE is hereby given that the third 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 Friday, the 31st day of December 2021, at 5:00 p.m. to transact the following business:

Ordinary Business:

- To receive, consider and adopt the Balance Sheet of the Company as on 31st March, 2021 and the Profit & Loss Account for the year ended on that date, along with the Director's Report, and the Auditor's Report thereon.**

Special Business:

- To create, issue and offer of 4,60,00,000 Compulsorily Convertible Cumulative Preference Shares (CCPS) of Series A1, A2, A3 and A4 of the company on rights basis.**

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

"RESOLVED THAT pursuant to the provisions of Sections 62(1)(a) and 55 of the Companies Act, 2013 (**"Act"**) read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and the Foreign Exchange Management Act, 1999, as amended, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank India, or any other competent authority, whether in India or abroad, from time to time, to the extent applicable, and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, approval of the members/shareholders of the Company be and is hereby accorded to create, issue and offer in aggregate up to 4,60,00,000 (Four Crores Sixty Lakhs Only) Compulsorily Convertible Cumulative Preference Shares (CCPS) of Series A1, A2, A3 and A4 in such proportion as given herein below and each of the CCPS having a face value of Rs. 10/- (Rupees Ten Only) for cash at par aggregating up to Rs. 46,00,00,000/- (Rupees Forty Six Crores Only), in one or more tranches, for cash, on rights basis to such holders of equity shares of the Company in proportion, as nearly as the circumstances admit, to the paid up equity share capital on those shares and whose names shall appear on the Register of the Members as on a the date to be decided by the Board.

| S. No. | Series Particulars & No. of CCPS | Face Value (Rs.) | Aggregate Amount (Rs.) |
|--------|----------------------------------|------------------|------------------------|
| 1 | Series A1 – up to 3,00,00,000 | 10 | 30,00,00,000 |
| 2 | Series A2 – up to 1,05,00,000 | 10 | 10,50,00,000 |
| 3 | Series A3 – up to 5,00,000 | 10 | 50,00,000 |
| 4 | Series A4 – up to 50,00,000 | 10 | 5,00,00,000 |
| | Total CCPS: 4,60,00,000 | | 46,00,00,000 |

RESOLVED FURTHER THAT in accordance with the provisions of Section 55 and other applicable provisions, if any, of the Act, the Companies (Share Capital and Debentures) Rules, 2014, including any

amendment(s), statutory modification(s) or re-enactment(s) thereof, the brief particulars in respect of the offer are as under:

- a) **The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares:** The CCPS (of each of the series) will carry a preferential right vis-à-vis equity shares of the Company, with respect to payment of dividend or repayment of capital upon winding up/liquidation of the Company;
- b) **Dividend:** Each series of the CCPS shall carry a pre-determined cumulative dividend rate of 0.0001% per annum. In addition to the same, if the holders of Equity Shares are paid dividend in excess of 0.0001% per annum, the holders of the CCPS of each of the series shall be entitled to dividend at such higher rate;
- c) **The payment of dividend on cumulative or non-cumulative basis:** The payment of dividend on the each of the Series CCPS will be on cumulative basis;
- d) **The participation in surplus fund:** The CCPS (all series) shall be non-participating in the surplus funds except to the extent as stated in 'b' above;
- e) **The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid:** The CCPS (of each series) shall be non-participating in the surplus assets and profits of the Company on winding-up, which may remain after the entire capital has been repaid;
- f) **Conversion of preference shares into equity shares:** Each of the series of CCPS shall be converted into equity shares as set forth in **Annexure I**;
- g) **Voting rights:** The holders of CCPS (each of the series) 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 on all such matters which affect their rights directly or indirectly.
- h) **The redemption of preference shares:** The preference shares are compulsorily convertible in nature; hence, there shall be no redemption.

RESOLVED FURTHER THAT the members hereby authorize the Board to decide the terms and conditions of the Rights Issue including any changes to the proportion/quantum of various CCPS as mentioned hereinbefore to be offered, finalize and send letter of offer to the existing equity shareholders of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized and to take all necessary steps in connection with the issue of CCPS as above including ratio at which the each Series of CCPS shall be offered and the manner in which the fractional entitlement, if any is to be treated, the amount payable at the time of application, allotment and on calls and to do all further acts, deeds which may be necessary and incidental in connection with the aforementioned matter and to settle all difficulties in the implementation of the resolution.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorised to accept any modification(s) in the terms and conditions for issuance of each of the Series CCPS proposed to be

issued under this resolution, subject to the applicable provisions of the Act, without being required to seek any further consent or approval of members.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to dispose off the unsubscribed portion, if any, of each of the Series of CCPS proposed to be issued under this resolution, in such manner which is not dis-advantageous to the shareholders and the Company and this would include the power to offer such unsubscribed portion to any person whether or not they are existing equity shareholders.

RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company be and are hereby authorized, severally, to execute all documents, communications and to alter and/or issue the letter of offer, alter/amend the terms of issue, if required and to do all further acts, deeds and things as may be necessary in this regard including the filings with any Government Authority and the Registrar of Companies.”

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

Sd/
Prabhat Agrawal
Managing Director
DIN : 07466382

Date: December 29, 2021
Place: Mumbai

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. Proxies in order to be effective must be received at the Registered office of the Company not less than 48 hours before the time fixed for the meeting.
3. Members are requested to: (a) Notify immediately any change in their address to the Company. (b) Quote their folio number in all correspondence with the Company.
4. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed herewith.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 2: To create, issue and offer of 4,60,00,000 Compulsorily Convertible Cumulative Preference Shares (CCPS) of Series A1, A2, A3 and A4 of the company on rights basis

To infuse funds in the Company considering business requirements, it is proposed to create, issue, offer and allot up to 4,60,00,000 (Four Crores Sixty Lakhs Only) Compulsorily Convertible Cumulative Preference Shares ("CCPS") of Series A1, A2, A3 and A4 having a face value of Rs.10/- (Rupees Ten only) each in the proportion as mentioned in the Resolution on rights issue basis to the holders of equity shares of the Company, on such terms and conditions as may be determined by the Board of Directors in accordance with the Companies Act, 2013 and other applicable laws.

In terms of the provisions of Sections 55 and 62(1)(a), and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, including Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, as amended, issuance of preference shares must be approved by the Members of the Company by way of a special resolution. Hence, the consent of the Members is being sought by a special resolution to enable issue of CCPS of Series A1, A2, A3 and A4 on rights issue basis, as may be permitted under applicable laws in accordance with the provisions of the Companies Act, 2013 and Rules framed thereunder. Further, the following disclosures as per Section 55 of the Companies Act, 2013 read with Rules 9 of the Companies (Share Capital and Debentures) Rules, 2014 are provided hereunder:

CCPS terms and conditions (wherever the terms are distinct in respect of any of the series, the same have been indicated separately; else the terms are common to all series of CCPS) :

| Particulars | Details |
|--|--|
| The size of the issue and number of Compulsorily Convertible Cumulative Preference Shares to be issued and nominal value of each share | Issue of up to 4,60,00,000 (Four Crores Sixty Lakhs Only) CCPS of Series A1, A2, A3 and A4, all having a face value of Rs. 10/- each, in the proportion as set out in the resolution in one or more tranches for cash at par and aggregating up to Rs.46,00,00,000 (Rupees Forty Six Crores Only). |
| Nature of Shares | Cumulative, non-participating and compulsorily convertible preference shares of Series A1, A2, A3 and A4. |
| Objectives of the issue | To infuse funds in the Company considering business requirements including working capital. |
| Manner of issue of CCPS | To be issued on rights basis under Section 62(1) (a) of the Companies Act, 2013. |
| The price at which such CCPS are proposed to be issued | At par on the face value of Rs. 10/- (Rupees Ten only). |
| Basis on which the price has been arrived at | Being rights issue of shares, there is no requirement of valuation of the shares. The price per share being issued, has been decided by the management and board of directors of the Company. |
| The terms of issue, including terms and rate of dividend on each share, etc. | a. The CCPS (of all series proposed to be issued) carry a preferential right vis-à-vis equity shares of the Company, with respect to payment of dividend or repayment of capital upon winding up/liquidation of the Company; |

| Particulars | Details |
|---|--|
| | <p>b. The CCPS (of all series proposed to be issued) shall be non-participating in the surplus funds, except for point d below;</p> <p>c. The CCPS (of all series proposed to be issued) shall be non-participating in the surplus assets and profits which may remain after the entire capital has been repaid, on winding-up of the Company;</p> <p>d. The CCPS (of all series proposed to be issued) shall carry a pre-determined cumulative dividend rate of 0.0001% per annum. In addition to the same, if the holders of Equity Shares are paid dividend in excess of 0.0001% per annum, the holders of the CCPS (of all series proposed to be issued) shall be entitled to dividend at such higher rate.</p> <p>e. Voting rights: The holders CCPS (of all series proposed to be issued) 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 and entitled to vote on all such matters which affect their rights directly or indirectly;</p> <p>g. The CCPS (of all series proposed to be issued) shall be cumulative;</p> <p>h. The terms of conversion of each of the Series of CCPS is distinct and is as detailed out in Annexure I.</p> <p>k. Any variation in the terms of the any of the series of CCPS after allotment may be made with a prior consent of its holders of such series and in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.</p> |
| Terms of redemption, including tenure of redemption, redemption of shares [at premium/par] and if the shares are convertible, the terms of conversion | The CCPS proposed to be issued will be compulsorily convertible into Equity Shares and the terms of conversion of each of the series (which is distinct) shall be as per the Annexure I . |
| The manner and modes of redemption | Not applicable as the shares are compulsorily convertible. |
| The current shareholding pattern of the Company | Please refer to Annexure II . |
| The expected dilution in the equity share capital upon conversion of shares | The actual number of Equity Shares arising on conversion of the CCPS will depend upon the terms and conditions of CCPS and the expected dilution in equity share capital upon conversion of the CCPS cannot be currently ascertained. |

The Board of Directors recommends the resolution set out in Item No. 2 of the Notice of the Annual General Meeting to the Members for their consideration and approval by way of a Special Resolution.

None of the Promoters, Directors, any other Key Managerial Personnel(s) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolution

set out at Item No. 2 of the Annual General Meeting Notice, except to the extent of their respective shareholding in the Company.

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

Sd/
Prabhat Agrawal
Managing Director
DIN : 07466382

Date: December 29, 2021
Place: Mumbai

ATTENDANCE SLIP
ANNUAL GENERAL MEETING

Date: Friday, 31st December, 2021, 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 MH IN.

Member's Folio

Name of Member / Authorised
Representative / Proxy

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 Pvt. Ltd.

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

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 Friday, 31st December, 2020 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 Balance Sheet of the Company as at 31st March, 2021 and the Profit & Loss Account for the year ended on that date, along with the Director's Report, and the Auditor's Report.



Entero Healthcare Solutions Private Limited
Reg. Office. : Plot No. I-35, Building - B,
Industrial Area, Phase I, 13/7, Mathura
Road, Faridabad, Haryana - 121003
CIN: U74999HR2018PTC072204

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 Shareholders,
 Entero Healthcare Solutions Private Limited
 Faridabad

Your board have pleasure in submitting third annual report of the Company together with the audited financial statements for the year ended 31st March, 2021.

1. COMPANY'S FINANCIAL RESULTS

(Amount in INR)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | For the financial year ended 31/03/2021 | For the financial year ended 31/03/2020 | For the financial year ended 31/03/2021 | For the financial year ended 31/03/2020 |
| Total Revenue | 1,28,29,63,763 | 76,80,25,925 | 17,73,10,36,316 | 13,54,28,44,665 |
| Total Expenses | 1,46,44,76,032 | 78,42,78,955 | 17,94,50,51,907 | 13,50,41,73,100 |
| Profit / (Loss) before tax | (18,15,12,269) | (1,62,53,030) | (10,83,74,077) | 3,86,71,565 |
| Less: | | | | |
| Current Tax | - | - | - | - |
| Deferred Tax | - | - | - | - |
| Short provision for Current Tax in earlier years | - | - | - | - |
| Remeasurement gain / (loss) on defined benefit plan | (3,18,026) | 3,35,670 | (20,45,591) | 34,32,151 |
| Income Tax effect | - | - | 198,618 | 81,643 |
| Profit or (Loss) After Tax for the year | (18,18,30,295) | (1,59,17,360) | (15,53,82,732) | 1,63,73,611 |

2. PERFORMANCE OF THE COMPANY

The total revenue of the Company from operations on standalone basis during the year under review was Rs. 99,89,55,068/- and other income was Rs. 28,40,08,695. The progress of the Company was in line with the estimates, and directors are confident that the Company is on a growth trajectory and expected to continue with same performance in coming years. 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, 2021, are enclosed as **Annexure I** to this report.

3. IMPACT OF COVID-19

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended 31 March 2021 and has concluded



that no there is no impact which is required to be recognized in the financial statements of the Company. Accordingly, no adjustments are required to be made to the financial statements of the Company.

4. DIVIDEND

Your directors do not recommend any dividend for the period ended 31st March, 2021 considering loss incurred by the Company.

5. CHANGE IN THE NATURE OF BUSINESS

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

6. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

The Company had completed acquisition of following companies since closing of financial year March 31, 2021, and these companies are wholly owned subsidiaries of Entero:

1. Atreja Healthcare Solutions Private Limited,
2. City Pharma Distributors Private Limited
3. Western Healthcare Solutions Private Limited
4. New RRPD Private Limited
5. New Siva Agencies Private Limited

Further the Company has incorporated a wholly owned subsidiary named Zennx Solutions Private Limited since closing of the financial year March 31, 2021.

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.

7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

8. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company has conducted ten board meetings during the financial year on 1st April, 2020, 14th April, 2020, 8th June, 2020, 22nd July, 2020, 25th August, 2020, 18th September, 2020, 24th September, 2020, 17th November 2020, 24th December, 2020 and 22nd March, 2021.

9. DIRECTORS

During the year under review Mr. Arun Sadhanandham was appointed as additional director w.e.f. 25th August, 2020 and the said appointment was confirmed by members of the Company at the extra-ordinary general meeting held on September 1, 2020.



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

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

None of the directors are liable to retire by rotation.

10. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

11. 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.

12. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:

The list of subsidiaries and shareholding of the Company in respective subsidiaries as on March 31, 2021 are as follows:

| S No | Company Name | Percentage holding |
|------|---|--------------------|
| 1. | G.S.Pharmaceutical Distributors Private Limited ('G.S.') | 100% |
| 2. | Novacare Healthcare Solutions Private Limited ('Novacare') | 100% |
| 3. | R S M Pharma Private Limited ('RSM') | 100% |
| 4. | Getwell Medicare Solution Private Limited ('Getwell') | 85% |
| 5. | Sundarlal Pharma Distributors Private Limited ('Sundarlal') | 100% |
| 6. | Chhabra Healthcare Solutions Private Limited ('Chhabra') | 100% |
| 7. | Galaxystar Pharma Distributors Private Limited ('Galaxystar') | 100% |
| 8. | Avenues Pharma Distributors Private Limited ('Avenues') | 100% |
| 9. | Chirag Medicare Solutions Private Limited ('Chirag') | 100% |
| 10. | Jaggi Enterprises Private Limited ('Jaggi') | 100% |
| 11. | Chethana Healthcare Solutions Private Limited ('CHSPL') | 100% |



| S No | Company Name | Percentage holding |
|------|---|--------------------|
| 12. | Vasavi Medicare Solutions Private Limited ('Vasavi') | 100% |
| 13. | SVMED Solutions Private Limited ('SVMED') | 100% |
| 14. | Chethana Pharma Private Limited ('CPPL') | 100% |
| 15. | Millennium Medisolutions Private Limited ('Millennium') | 100% |
| 16. | Rada Medisolutions Private Limited ('Rada') | 100% |
| 17. | Sesha Balajee Medisolutions Private Limited ('Sesha Balajee') | 100% |
| 18. | Barros Enterprises Private Limited ('Barros') | 100% |
| 19. | Sree Venkateshwara Medisolutions Private Limited ('SVMPL') | 100% |
| 20. | Quromed Lifesciences Private Limited ('Quromed') | 100% |
| 21. | Rimedio Pharma Private Limited ('Rimedio') | 100% |
| 22. | Curever Pharma Private Limited ('Curever') | 100% |
| 23. | Calcutta Medisolutions Private Limited ('CMPL') | 100% |
| 24. | Chethana Pharma Distributors Private Limited ('CPDPL') | 100% |
| 25. | CPD Pharma Private Limited ('CPD') | 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 Entero during the year.

13. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

14. SHARES

During the year under review, the Company has undertaken following transactions:

| Increase in Share Capital | Buy Back of Securities | Sweat Equity | Bonus Shares | Employees Stock Option Plan |
|--|------------------------|--------------|--------------|-----------------------------|
| The Company have issued 784,00,000 Compulsorily Convertible Cumulative Preference Shares during the year | Nil | Nil | Nil | Nil |

15. AUDITORS' REPORT:

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors' remarks in their report are self-explanatory and do not call for any further comments.

Instances of fraud, if any, reported:

There have been no instances of fraud reported under section 143 (12) of the Companies Act, 2013.



16. INTERNAL FINANCIAL CONTROL 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.

17. EXTRACT OF ANNUAL RETURN:

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

18. 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.

19. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

20. 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. 45 of the standalone financial statements of the Company for the financial year ended March 31, 2021. Those transactions are entered by the Company in ordinary course of business and were on arm's length basis.

21. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace 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 2020-21, the Company has not received any complaint on sexual harassment.



22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) **Conservation of energy**

| | | |
|-------|---|----------------|
| (i) | the steps taken or impact on conservation of energy | Not applicable |
| (ii) | the steps taken by the company for utilizing alternate sources of energy. | Not applicable |
| (iii) | the capital investment on energy conservation equipment's | Not applicable |

(b) **Technology absorption**

| | | |
|-------|--|----|
| (i) | the effort made towards technology absorption | NA |
| (ii) | the benefits derived like product improvement cost reduction product development or import substitution | NA |
| (iii) | in case of imported technology (important during the last three years reckoned from the beginning of the financial year) | NA |
| | (a) the details of technology imported | NA |
| | (b) the year of import; | NA |
| | (c) whether the technology been fully absorbed | NA |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | NA |
| (iv) | the expenditure incurred on Research and Development | NA |

(c) Foreign Exchange earning and outgo:

| Particulars | For the period ended 31/03/2021 (In INR at actual) | For the year ended 31/03/2020 (In INR at actual) |
|--|--|--|
| Foreign exchange earning | 2,70,62,122 | - |
| Foreign exchange outgo* | 59,24,54,917 | 16,61,99,097 |
| *including advance to vendors of INR 5,93,78,304 for financial year ended March 2021 and INR 5,17,16,672 for financial year March 2020 | | |

23. MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

Maintenance of Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are not required as it is not applicable to the Company.



23. DIRECTORS'S RESPONSIBILITY STATEMENT:

The Director's Responsibility Statement referred to in clause (c) of Sub- section (3) of Section 134 of the Companies Act, 2013 shall state that

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:
- (b) The director 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 and of the profit and loss of the company for that period;
- (c) the director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

24. ACKNOWLEDGEMENTS

The directors place on record their sincere appreciation for the assistance and co-operation extended by Bank, 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
For **Entero Healthcare Solutions Private Limited**




Prabhat Agrawal
Managing Director
(DIN: 07466382)


Prem Sethi
Executive Director
(DIN: 07077034)

Date: December 29, 2021
Place: Mumbai

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, 2021 (Amounts in INR Crore)

| Names Particulars | 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 | 3.6 | 11.00 | 1.50 | 8.00 | 0.01 | 0.01 | 0.01 | 0.01 | 0.10 | 0.01 |
| Reserves & surplus | (1.13) | (6.21) | 0.49 | 3.30 | (4.89) | (0.94) | (1.85) | (0.19) | 6.28 | (0.86) |
| Total assets | 23.34 | 96.26 | 43.08 | 44.42 | 11.51 | 16.80 | 30.61 | 73.54 | 43.62 | 31.57 |
| Total liabilities | 20.87 | 91.46 | 41.09 | 33.12 | 16.39 | 17.73 | 32.46 | 73.72 | 37.24 | 32.43 |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | 59.24 | 208.60 | 177.15 | 117.09 | 32.01 | 61.70 | 132.86 | 195.18 | 163.34 | 72.59 |
| Total Expenses | 59.12 | 209.03 | 176.17 | 115.37 | 34.16 | 62.05 | 132.74 | 196.09 | 158.33 | 72.99 |
| Profit / (Loss) before tax | 0.12 | (0.43) | 0.98 | 1.71 | (2.14) | (0.35) | 0.12 | (0.91) | 5.00 | (0.40) |
| Less: | | | | | | | | | | |
| Current Tax | - | - | 0.35 | 0.50 | - | - | - | - | 1.39 | - |
| Deferred Tax charge / (benefit) | - | - | (0.07) | (0.01) | - | - | - | 0.19 | (0.03) | - |
| Income tax effect | | | (0.00) | 0.01 | | | | 0.00 | 0.00 | |
| Remeasurement gain / (loss) on defined benefit plan | (0.00) | (0.04) | 0.03 | (0.04) | (0.00) | (0.06) | (0.01) | 0.00 | (0.01) | (0.01) |
| Proposed Dividend (inclusive tax) | - | - | - | - | - | - | - | - | - | - |
| Profit or (Loss) After Tax for the year | 0.11 | (0.47) | 0.73 | 1.19 | (2.15) | (0.36) | (0.1) | (0.71) | 3.64 | (0.42) |
| % 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, 2021 (Amounts in INR Crore)

| Particulars | Names | CHSPL | Vasavi | SVMED | CPPL | Millennium | Rada | Sesha Balajee | Barros | SVMPL | Quorumed |
|---|-------|-------------|---------------|-------------|-------------|-------------|---------------|---------------|-------------|---------------|---------------|
| 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 | 06-Aug-2020 | 26-Mar-2020 |
| Share Capital | | 0.10 | 0.01 | 0.01 | 0.30 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Reserves & surplus | | 0.52 | (0.17) | 0.81 | 6.43 | 1.16 | (0.86) | 0.19 | 1.55 | (0.21) | (0.00) |
| Total assets | | 12.28 | 18.10 | 24.36 | 42.26 | 39.65 | 12.32 | 22.27 | 19.18 | 4.02 | 0.01 |
| Total liabilities | | 11.66 | 18.26 | 23.54 | 35.53 | 38.48 | 13.18 | 22.07 | 17.62 | 4.22 | 0.00 |
| Investments | | - | - | - | - | - | - | - | - | - | - |
| Total Revenue | | 36.44 | 53.88 | 63.75 | 160.44 | 98.02 | 47.53 | 43.43 | 51.73 | 2.19 | 0.00 |
| Total Expenses | | 35.97 | 53.96 | 62.88 | 154.58 | 97.33 | 48.17 | 43.18 | 49.87 | 2.41 | 0.00 |
| Profit / (Loss) before tax | | 0.46 | (0.07) | 0.88 | 5.86 | 0.70 | (0.64) | 0.25 | 1.85 | (0.21) | (0.00) |
| Less: | | | | | | | | | | | |
| Current Tax | | 0.03 | - | 0.18 | 1.49 | 0.13 | - | 0.07 | 0.50 | - | - |
| Deferred Tax charge / (benefit) | | 0.08 | - | 0.05 | (0.01) | 0.07 | - | (0.01) | (0.03) | - | - |
| Income tax effect | | 0.00 | - | 0.00 | 0.00 | 0.00 | - | 0.00 | 0.00 | - | - |
| Remeasurement gain / (loss) on defined benefit plan | | 0.00 | 0.00- | 0.00 | (0.02) | (0.01) | 0.00 | (0.02) | (0.00) | - | - |
| Profit or (Loss) After Tax for the year | | 0.33 | (0.08) | 0.64 | 4.37 | 0.49 | (0.64) | 0.17 | 1.38 | (0.21) | (0.00) |
| % of shareholding | | 100% | 100% | 100% | 100% | 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, 2021 (Amounts in INR Crore)

| Names | Rimedio | Curever | CMPL | CPDPL | CPD |
|---|---------------|---------------|-------------|---------------|-------------|
| Particulars | | | | | |
| Date since when subsidiary was acquired | 26-Mar-2020 | 19-Jan-2021 | 01-Jan-2021 | 08-Apr-2020 | 14-Sep-2020 |
| Share Capital | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| Reserves & surplus | (0.00) | (1.03) | 0.01 | -0.34 | 0.12 |
| Total assets | 0.01 | 0.87 | 0.99 | 4.14 | 5.31 |
| Total liabilities | 0.00 | 1.89 | 0.97 | 4.47 | 5.18 |
| Investments | - | - | - | - | - |
| Total Revenue | 0.00 | 0.00 | 0.36 | 3.03 | 18.68 |
| Total Expenses | (0.00) | (1.03) | 0.34 | 3.37 | 18.68 |
| Profit / (Loss) before tax | (0.00) | (1.03) | 0.02 | (0.34) | 0.00 |
| Less: | | | | | |
| Current Tax | - | - | 0.01 | - | 0.01 |
| Deferred Tax charge / (benefit) | - | - | (0.00) | - | (0.01) |
| Income tax effect | - | - | - | - | - |
| Remeasurement gain / (loss) on defined benefit plan | - | - | - | - | - |
| Profit or (Loss) After Tax for the year | (0.00) | (1.03) | 0.01 | (0.34) | 0.00 |
| % of shareholding | 100% | 100% | 100% | 100% | 100% |



Annexure II
Particulars of inter corporate deposit, investments and corporate guarantees:
Inter corporate deposit:

| S. No. | Name of the Company | Amount of deposit granted during the year | Balance amount as at end of the financial year |
|--------|---------------------|---|--|
| 1. | Novacare | 5,50,00,000 | 23,98,96,175 |
| 2. | G.S | - | 7,01,86,959 |
| 3. | RSM | 2,00,00,000 | 16,41,17,763 |
| 4. | Galaxystar | 3,85,00,000 | 8,76,91,399 |
| 5. | Sundarlal | - | 7,96,17,713 |
| 6. | Chhabra | - | 8,09,38,670 |
| 7. | Getwell | - | 10,61,33,679 |
| 8. | Avenues | 2,80,00,000 | 31,11,00,000 |
| 9. | Barros | 5,50,00,000 | 12,65,33,115 |
| 10. | CHSPL | 30,00,000 | 6,27,00,000 |
| 11. | CPPL | - | 9,91,53,448 |
| 12. | Chirag | 39,77,290 | 11,05,77,290 |
| 13. | Jaggi | 80,00,000 | 15,30,65,224 |
| 14. | Millennium | 6,50,00,000 | 16,99,75,962 |
| 15. | Rada | 2,89,00,000 | 9,09,00,000 |
| 16. | Sesha Balajee | 5,37,50,000 | 14,37,50,000 |
| 17. | SVMED | 4,90,00,000 | 13,85,80,000 |
| 18. | Vasavi | 2,30,00,000 | 13,12,78,000 |
| 19. | CMPL | 67,60,372 | 67,60,372 |
| 20. | Curever | 80,00,000 | 80,00,000 |
| 21. | SVMPL | 2,49,46,424 | 2,49,46,424 |
| 22. | CPDPL | 1,05,00,000 | 1,05,00,000 |
| 23. | CPD | 1,09,50,000 | 1,09,50,000 |

Investments:

The details of amounts of investment made by the Company as on financial year ended March 31, 2021 are as follows:

| S No | Company | Amount (in INR at actuals) |
|------|------------|----------------------------|
| 1. | Novacare | 11,00,00,000 |
| 2. | G.S. | 3,60,00,000 |
| 3. | RSM | 4,77,00,000 |
| 4. | Galaxystar | 4,80,00,000 |
| 5. | Sundarlal | 2,30,00,000 |
| 6. | Chhabra | 3,50,00,000 |
| 7. | Getwell | 6,80,00,000 |
| 8. | Avenues | 1,00,000 |
| 9. | Chirag | 10,00,000 |
| 10. | Jaggi | 1,00,000 |
| 11. | CHSPL | 10,00,000 |
| 12. | Vasavi | 1,00,000 |
| 13. | SVMED | 1,00,000 |



| S No | Company | Amount (in INR at actuals) |
|------|---------------|----------------------------|
| 14. | CPPL | 30,00,000 |
| 15. | Millennium | 1,00,000 |
| 16. | Rada | 1,00,000 |
| 17. | Sesha Balajee | 1,00,000 |
| 18. | Barros | 1,00,000 |
| 19. | Quromed | 1,00,000 |
| 20. | Rimedio | 1,00,000 |
| 21. | CMPL | 1,00,000 |
| 22. | CPDPL | 1,00,000 |
| 23. | CPD | 1,01,00,000 |
| 24. | Curever | 1,00,000 |
| 25. | SVMPL | 1,00,000 |

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 at actuals in INR) | Overall amounts of corporate guarantee provided (Amounts at actuals in INR) |
|------|---------------------|---|--|
| 1. | Novacare | 35,16,07,698 | 50,00,00,000 |
| 2. | Getwell | 8,71,13,857 | 15,00,00,000 |
| 3. | Avenues | 24,64,84,617 | 25,00,00,000 |
| 4. | CHSPL | 1,81,17,595 | 5,00,00,000 |
| 5. | Chirag | 9,68,30,840 | 20,00,00,000 |
| 6. | R S M | 10,63,50,839 | 15,00,00,000 |
| 7. | G.S. | 7,32,53,107 | 8,00,00,000 |
| 8. | Chhabra | 3,92,88,748 | 5,00,00,000 |
| 9. | Sundarlal | 2,77,41,340 | 7,00,00,000 |
| 10. | Galaxystar | 8,38,48,563 | 10,00,00,000 |
| 11. | Jaggi | 6,80,73,984 | 10,00,00,000 |
| 12. | CPPL | 9,98,60,428 | 15,00,00,000 |
| 13. | Millennium | 8,44,61,201 | 10,00,00,000 |



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, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), 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, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those 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.

Emphasis of Matter

We draw attention to Note 49 to the Standalone Financial Statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the standalone financial statements. Accordingly, no adjustments have been made to the standalone financial statements.

Our opinion is not modified in respect of this matter.



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.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2020 and the transition date opening Balance Sheet as at April 01, 2019 included in these standalone financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended March 31, 2020 and March 31, 2019 on which we issued an unmodified audit opinion vide our reports dated December 24, 2020 and November 27, 2019 respectively on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“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 books.
 - (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, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 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”.



MSKA & Associates

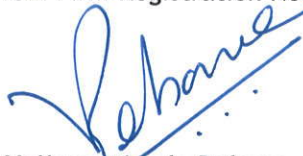
Chartered Accountants

(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.

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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Vaijayantimala Belsare
Partner
Membership No. 049902
UDIN: 21049902AAAACO7099



Place: Mumbai
Date: December 29, 2021

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 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 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 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 financial statements, including the disclosures, and whether the 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.

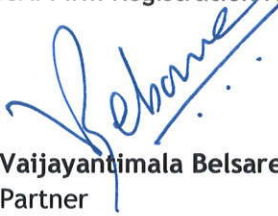


MSKA & Associates

Chartered Accountants

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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Vaijayantimala Belsare

Partner

Membership No. 049902

UDIN: 21049902AAAACO7099



Place: Mumbai

Date: December 29, 2021

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, 2021

[Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 - (b) The Company has a planned programme of verifying the assets physically over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In the current year, the Company has physically verified the block of Plant & Machinery, Motor vehicles, Office Equipment and IT Equipment during the year. 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.
- ii. The Company has a system of physical verification of inventory whereby all items of inventory are physically verified quarterly. Discrepancies, if any, between physical stock and book records are adjusted in the books as and when the verification and corresponding reconciliations are carried out. In our opinion, the frequency of physical verification is reasonable. Discrepancies observed on quarterly physical verification conducted during the year were not material and have been adjusted in books of accounts.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment Companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and 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 paragraph 3 (vi) of the Order are not applicable to the Company.



MSKA & Associates

Chartered Accountants

- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) 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, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, 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 have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us, since the Company is a Private Company, the provisions of section 197 of the Act will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the 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) of the Order are not applicable to the Company.
- 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 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.



MSKA & Associates

Chartered Accountants

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. 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) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Vaijayantimala Belsare
Partner

Membership No. 049902
UDIN: 21049902AAAACO7099



Place: Mumbai

Date: December 29, 2021

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]

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

We have audited the internal financial controls with reference to standalone financial statements of **Entero Healthcare Solutions Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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"). 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 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 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.

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.

Opinion

In our opinion, the Company has, in all material respects, 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, 2021, 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

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Vaijayantimala Belsare
Partner

Membership No. 049902

UDIN: 21049902AAAACO7099



Place: Mumbai

Date: December 29, 2021

Entero Healthcare Solutions Private Limited
Standalone Balance Sheet as at 31 March 2021
(Amount in INR , unless otherwise stated)

| Particulars | Notes | As at | As at | As at |
|---|-------|-----------------------|-----------------------|-----------------------|
| | | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 5 | 47,93,82,941 | 45,36,59,233 | 10,45,57,589 |
| Capital work-in-progress | 6 | - | - | 8,15,77,836 |
| Other intangible assets | 7 | 2,25,25,816 | 50,52,856 | - |
| Intangible asset under development | 7.1 | 2,24,00,000 | 2,25,50,000 | 45,86,950 |
| Financial assets | | | | |
| Investments in subsidiaries | 8 | 38,70,50,000 | 37,79,00,000 | 36,77,00,000 |
| Loans | 9 | 3,00,62,643 | 2,22,47,187 | 1,07,42,855 |
| Deferred tax asset (net) | 10 | - | - | - |
| Non Current tax assets (net) | 11 | 2,13,44,455 | 2,58,13,015 | 61,46,061 |
| Other non-current assets | 12 | - | 43,88,197 | 1,05,98,973 |
| Total non-current assets | | 96,27,65,855 | 91,16,10,488 | 58,59,10,264 |
| Current assets | | | | |
| Inventories | 13 | 47,38,62,551 | 27,11,49,216 | 3,86,33,575 |
| Financial assets | | | | |
| Investments | 14 | - | - | 5,00,82,181 |
| Trade receivables | 15 | 30,85,47,038 | 17,47,29,250 | 3,63,16,340 |
| Cash and cash equivalents | 16 | 16,21,87,740 | 16,12,49,869 | 56,83,19,754 |
| Bank balances other than cash and cash equivalent | 17 | 50,44,11,718 | 27,60,00,000 | 10,00,00,000 |
| Loans | 18 | 2,42,96,69,414 | 2,50,25,63,365 | 1,13,22,92,504 |
| Other financial assets | 19 | 23,99,40,315 | 17,02,14,430 | 4,13,53,951 |
| Other current assets | 20 | 24,56,90,898 | 18,96,69,383 | 5,29,14,872 |
| Total current assets | | 4,36,43,09,674 | 3,74,55,75,513 | 2,01,99,13,177 |
| Total assets | | 5,32,70,75,529 | 4,65,71,86,001 | 2,60,58,23,441 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 21 | 10,02,000 | 10,02,000 | 10,02,000 |
| Instruments entirely equity in nature | 22 | 5,17,11,23,000 | 4,38,71,23,000 | 2,59,41,23,000 |
| Other equity | 23 | (30,77,43,029) | (12,59,12,734) | (10,99,95,375) |
| Total equity | | 4,86,43,81,971 | 4,26,22,12,266 | 2,48,51,29,625 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Lease Liabilities | 24 | 20,55,94,335 | 17,41,57,490 | 8,05,57,640 |
| Provisions | 25 | 37,06,241 | 14,52,803 | 4,54,461 |
| Total non-current liabilities | | 20,93,00,576 | 17,56,10,293 | 8,10,12,101 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Lease Liabilities | 24 | 2,62,49,408 | 1,30,85,451 | 51,17,213 |
| Trade payables | 26 | | | |
| i)total outstanding dues of micro enterprises and small enterprises | | 17,21,395 | 15,01,398 | - |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise | | 12,76,83,333 | 13,12,40,500 | 1,07,84,824 |
| Other financial liabilities | 27 | 5,66,27,481 | 3,18,60,836 | 1,73,58,863 |
| Other current liabilities | 28 | 2,72,06,992 | 2,45,32,713 | 49,18,007 |
| Provisions | 25 | 1,39,04,373 | 1,71,42,544 | 15,02,808 |
| Total current liabilities | | 25,33,92,982 | 21,93,63,442 | 3,96,81,715 |
| Total liabilities | | 46,26,93,558 | 39,49,73,735 | 12,06,93,816 |
| Total equity and liabilities | | 5,32,70,75,529 | 4,65,71,86,001 | 2,60,58,23,441 |

See accompanying notes to the financial statements

1-50

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

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Vaijayantimala Belsare
Partner
Membership No: 049902
Place: Mumbai
Date: 29 December 2021



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: 29 December 2021

Prem Sethi
Director
DIN: 07077034
Place: Mumbai
Date: 29 December 2021





Entero Healthcare Solutions Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Particulars | Notes | For the Year ended | For the Year ended |
|--|-------|-----------------------|----------------------|
| | | 31 March 2021 | 31 March 2020 |
| Income | | | |
| Revenue from operations | 29 | 99,89,55,068 | 55,99,84,242 |
| Other income | 30 | 28,40,08,695 | 20,80,41,683 |
| Total income | | 1,28,29,63,763 | 76,80,25,925 |
| Expenses | | | |
| Purchase of Stock-in-trade | 31 | 1,18,07,46,129 | 71,33,12,934 |
| Changes in inventories of Stock-in-trade | 32 | (20,27,13,335) | (23,25,15,641) |
| Employee benefits expense | 33 | 23,18,84,175 | 15,10,98,257 |
| Finance costs | 34 | 2,25,83,587 | 1,35,43,832 |
| Depreciation and amortization expense | 35 | 7,34,58,725 | 4,14,57,445 |
| Other expenses | 36 | 15,85,16,751 | 9,73,82,128 |
| Total expenses | | 1,46,44,76,032 | 78,42,78,955 |
| Loss before tax | | (18,15,12,269) | (1,62,53,030) |
| Tax expense | | | |
| Current tax | 37 | - | - |
| Deferred tax | 37 | - | - |
| Total income tax expense | | - | - |
| Loss for the year | | (18,15,12,269) | (1,62,53,030) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement (loss)/gain on defined benefit plan | | (3,18,026) | 3,35,670 |
| Income tax effect | | - | - |
| Total | | (3,18,026) | 3,35,670 |
| Items that will be reclassified to profit or loss | | | |
| Other comprehensive income for the year, net of tax | | (3,18,026) | 3,35,670 |
| Total comprehensive income for the year | | (18,18,30,295) | (1,59,17,360) |
| Loss per share | 38 | | |
| Basic (INR) | | (0.36) | (0.04) |
| Diluted (INR) | | (0.36) | (0.04) |
| See accompanying notes to the financial statements | 1-50 | | |

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

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


Vaijayantimala Belsare
Partner
Membership No: 049902




Place: Mumbai
Date: 29 December 2021

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: 29 December 2021


Prem Sethi
Director
DIN: 07077034

Place: Mumbai
Date: 29 December 2021



Entero Healthcare Solutions Private Limited
 Standalone Statement of changes in equity for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

(A) Equity share capital

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---|------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 10,02,000 | 10,02,000 | - |
| Changes in Equity Share capital during the year | - | - | 10,02,000 |
| Balance at the end of the year | 10,02,000 | 10,02,000 | 10,02,000 |

(B) Other equity

| Particulars | Instruments entirely equity in nature | Reserve and surplus | Total |
|---|--|---------------------|----------------|
| | | Retained earnings | |
| Balance as at 01 April 2019 | 2,59,41,23,000 | (10,99,95,375) | 2,48,41,27,625 |
| Changes during the year | | | |
| Issued during the year | 1,79,30,00,000 | - | 1,79,30,00,000 |
| Profit for the year | - | (1,62,53,030) | (1,62,53,029) |
| Remeasurement of defined benefit plans (net of tax) | - | 3,35,670 | 3,35,670 |
| Total | 1,79,30,00,000 | (1,59,17,360) | 1,77,70,82,641 |
| Balance as at 31 March 2020 | 4,38,71,23,000 | (12,59,12,735) | 4,26,12,10,266 |
| Changes during the year | | | |
| Issued during the year | 78,40,00,000 | - | 78,40,00,000 |
| Profit for the year | - | (18,15,12,268) | (18,15,12,268) |
| Remeasurement of defined benefit plans (net of tax) | - | (3,18,026.00) | (3,18,026) |
| Total | - | (18,18,30,294) | (18,18,30,294) |
| Balance as at 31 March 2021 | 5,17,11,23,000 | (30,77,43,029) | 4,86,33,79,972 |


See accompanying notes to the financial statements


1-50

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


As per our report of even date
 For MSKA & Associates
 Chartered Accountants
 Firm Registration No.:105047W

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


 Vijayantimala Belsare
 Partner
 Membership No: 049902
 Place: Mumbai
 Date: 29 December 2021




 Prabhat Agrawal
 Managing Director
 DIN: 07466382
 Place: Mumbai
 Date: 29 December 2021


 Prem Sethi
 Director
 DIN: 07077034
 Place: Mumbai
 Date: 29 December 2021



Entero Healthcare Solutions Private Limited
 Standalone Statement of cash flows for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | | |
| Loss before tax | (18,15,12,269) | (1,62,53,030) |
| Adjustments for: | | |
| Depreciation and amortization expenses | 7,34,58,725 | 4,14,57,445 |
| Finance cost | 2,25,83,587 | 1,35,43,832 |
| Interest income | (22,80,99,467) | (19,42,49,859) |
| Provision for expected credit loss | 12,27,755 | 2,04,563 |
| Provision for sales return | (75,13,370) | 1,46,27,155 |
| Provision for retirement benefits and leave obligation | 62,10,610 | 23,46,593 |
| Operating loss before working capital changes | (31,36,44,429) | (13,83,23,301) |
| Changes in working capital | | |
| (Decrease)/Increase in trade payables | (33,37,170) | 12,19,57,074 |
| Increase in inventory | (20,27,13,335) | (23,25,15,641) |
| Increase in trade receivables | (13,50,45,541) | (13,86,17,473) |
| Increase in other current liabilities | 26,74,279 | 1,96,14,706 |
| Increase in other financial liabilities | 2,47,66,644 | 1,45,01,974 |
| Increase in Loan | (78,15,456) | (1,15,04,332) |
| Decrease/(Increase) in other financial assets | 3,21,069 | (10,21,850) |
| Increase in other current assets | (5,60,21,515) | (13,67,54,511) |
| Decrease in non-current assets | 43,88,197 | 62,10,776 |
| Cash used in operations | (68,64,27,257) | (49,64,52,578) |
| Income tax paid | 44,68,560 | (1,96,66,954) |
| Net cash flows used in operating activities (A) | (68,19,58,697) | (51,61,19,533) |
| Cash flow from Investing activities | | |
| Purchase of non-current investments | (91,50,000) | (1,02,00,000) |
| Sale / (Purchase) of investments | - | 5,00,82,181 |
| loans received back/(given) | 7,28,93,951 | (1,37,02,70,861) |
| Purchase of Property, Plant and Equipment, including movement in CWIP and capital advances | (6,54,56,163) | (22,95,03,493) |
| Investment in Bank deposits | (22,84,11,718) | (17,60,00,000) |
| Interest received | 15,80,52,513 | 6,64,11,230 |
| Net cash flow used in investing activities (B) | (7,20,71,417) | (1,66,94,80,943) |
| Cash flow from Financing activities | | |
| Proceeds from issuance of convertible preference shares | 78,40,00,000 | 1,79,30,00,000 |
| Principal paid on lease liabilities | (64,48,428) | (9,25,577) |
| Interest paid on lease liabilities | (1,32,40,490) | (35,30,338) |
| Purchase consideration on acquisition of business / subsidiary | | |
| Interest paid | (93,43,097) | (1,00,13,494) |
| Net cash flow from financing activities (C) | 75,49,67,985 | 1,77,85,30,591 |
| Net increase in cash and cash equivalents (A+B+C) | 9,37,871 | (40,70,69,885) |
| Cash and cash equivalents at the beginning of the year | 16,12,49,869 | 56,83,19,754 |
| Cash and cash equivalents at the end of the year | 16,21,87,740 | 16,12,49,869 |
| Cash and cash equivalents comprise (Refer note 16) | | |
| Balances with banks | | |
| On current accounts | 16,21,48,623 | 16,12,09,589 |
| Cash on hand | 39,117 | 40,280 |
| Total cash and bank balances at end of the year | 16,21,87,740 | 16,12,49,869 |

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

1-50

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

As per our report of even date

For MSKA & Associates
 Chartered Accountants
 Firm Registration No.:105047W

Vaijayanand Beisare
 Partner
 Membership No: 049902
 Place: Mumbai
 Date: 29 December 2021



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: 29 December 2021

Prem Sethi
 Director
 DIN: 07077034
 Place: Mumbai
 Date: 29 December 2021



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

1. General Information

Entero Healthcare Solutions Private Limited (the "Company") is a private limited company domiciled in India 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.

The Company has adopted Ind AS from 01 April 2020 with effective transition date of 01 April 2019 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other relevant provisions of the Act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'the Indian GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 01 April 2019 and the comparative previous year has been restated / reclassified wherever applicable. Reconciliations and explanations of the effect of the transition from Indian GAAP to Ind AS on the balance sheet, statement of profit and loss and cash flow statement are provided in Note No 48.

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 29 December 2021.

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 2021

(Amount in INR, 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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.

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



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

*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 company are deducted in arriving at the purchase price.

Borrowing costs to the extent related/attribution 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 |

Transition to Ind AS:

On the date of transition to Ind AS, the Company has elected to continue with the net carrying value of intangible assets recognised as at 01 April 2019 measured as per Indian GAAP and use that carrying value as the deemed cost of intangible assets.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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 2021

(Amount in INR, 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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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

Traded goods are valued at lower of cost or net realizable value. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Cost of traded goods is determined on a First In First Out ('FIFO') basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

(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

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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 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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, 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:

On 24th March, 2021 the Ministry of Corporate Affairs (MCA) through a notification, amended schedule III of the companies act, 2013. The amendments revise Division I II and III of schedule III and are applicable from 1st April, 2021. The company is evaluating the effect of the amendments on its financial statements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR, unless otherwise stated)

5 Property, plant and equipment

| Particulars | Gross block | | | | Depreciation | | | | Net block | | | |
|------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|--------------------|----------------------------|------------------------|------------------------|------------------------|------------------------|--|
| | As at 1 April 2020 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2021 | As at 1 April 2020 | For the year | Deductions/ Adjustments | As at 31 March 2021 | As at 31 March 2021 | As at 31 March 2021 | As at 31 March 2020 | |
| Leased assets | | | | | | | | | | | | |
| Right to Use Asset (Refer note 46) | 20,28,12,814 | 6,79,72,757 | - | 27,07,85,571 | 2,22,24,210 | 3,42,63,069 | - | 5,64,87,279 | 21,42,98,292 | 18,05,88,604 | | |
| Owned assets | | | | | | | | | | | | |
| Plant and machineries | 3,99,00,601 | 44,46,251 | - | 4,43,46,852 | 16,86,038 | 26,73,781 | - | 43,59,819 | 3,99,87,034 | 3,82,14,564 | | |
| Electrical Installations | 5,87,56,795 | 75,38,646 | 2,95,000 | 6,60,00,441 | 32,99,525 | 61,36,096 | 38,547 | 93,97,074 | 5,66,03,367 | 5,54,57,270 | | |
| Furniture and fixtures | 5,99,58,279 | 23,64,624 | - | 6,23,22,903 | 35,84,976 | 58,02,411 | - | 93,87,387 | 5,29,35,516 | 5,63,73,303 | | |
| Office equipment | 1,26,47,529 | 12,13,173 | - | 1,38,60,702 | 16,86,298 | 25,18,720 | - | 42,05,018 | 96,55,683 | 1,09,61,230 | | |
| Computer and peripherals | 98,14,737 | 66,30,774 | - | 1,64,45,511 | 27,36,687 | 38,86,815 | - | 66,23,502 | 98,22,010 | 70,78,051 | | |
| Vehicles | 38,62,538 | - | - | 38,62,538 | 3,45,413 | 4,58,870 | - | 8,04,283 | 30,58,255 | 35,17,125 | | |
| Leasehold improvements | 11,25,27,646 | 76,70,624 | - | 12,01,98,270 | 1,10,58,559 | 1,61,16,923 | - | 2,71,75,482 | 9,30,22,788 | 10,14,69,087 | | |
| Total | 50,02,80,939 | 9,78,36,849 | 2,95,000 | 59,78,22,788 | 4,66,21,706 | 7,18,56,685 | 38,547 | 11,84,39,844 | 47,93,82,941 | 45,36,59,233 | | |

| Particulars | Gross block | | | | Depreciation | | | | Net block | | | |
|------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|--------------------|----------------------------|------------------------|------------------------|-----------------------|--|--|
| | As at 1 April 2019 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2020 | As at 1 April 2019 | For the year | Deductions/ Adjustments | As at 31 March 2020 | As at 31 March 2020 | As at 1 April 2019 | | |
| Leased assets | | | | | | | | | | | | |
| Right to Use Asset (Refer note 46) | 9,03,66,705 | 11,24,46,109 | - | 20,28,12,814 | 44,73,039 | 1,77,51,171 | - | 2,22,24,210 | 18,05,88,604 | 8,58,93,666 | | |
| Owned assets | | | | | | | | | | | | |
| Plant and machineries | 1,32,514 | 3,97,68,087 | - | 3,99,00,601 | 5,815 | 16,80,223 | - | 16,86,038 | 3,82,14,564 | 1,26,699 | | |
| Electrical Installations | - | 5,87,56,795 | - | 5,87,56,795 | - | 32,99,525 | - | 32,99,525 | 5,54,57,270 | - | | |
| Furniture and fixtures | 58,23,528 | 5,41,34,751 | - | 5,99,58,279 | 85,662 | 34,99,314 | - | 35,84,976 | 5,63,73,303 | 5,73,78,666 | | |
| Office equipment | 25,57,917 | 1,00,89,612 | - | 1,26,47,529 | 68,732 | 16,17,566 | - | 16,86,298 | 1,09,61,230 | 24,89,185 | | |
| Computer and peripherals | 48,17,804 | 49,96,933 | - | 98,14,737 | 5,11,250 | 22,25,437 | - | 27,36,687 | 70,78,051 | 43,06,555 | | |
| Vehicles | - | 38,62,538 | - | 38,62,538 | - | 3,45,413 | - | 3,45,413 | 35,17,125 | - | | |
| Leasehold improvements | 63,55,441 | 10,61,72,205 | - | 11,25,27,646 | 3,51,822 | 1,07,06,737 | - | 1,10,58,559 | 10,14,69,087 | 60,03,619 | | |
| Total | 11,00,53,909 | 39,02,27,030 | - | 50,02,80,939 | 54,96,320 | 4,11,25,386 | - | 4,66,21,706 | 45,36,59,233 | 10,45,57,589 | | |

6 Capital Work in progress

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|-------------------------------------|------------------------|------------------------|------------------------|
| Opening Balance | - | 8,15,77,836 | - |
| Add: Additions during the period | - | - | 8,79,33,277 |
| Less: Capitalized during the period | - | (8,15,77,836) | (63,55,441) |
| Closing Balance | - | - | 8,15,77,836 |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR, unless otherwise stated)

7 Other intangible assets

| Particulars | Gross block | | | Depreciation | | | Net block | | | |
|-------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|--------------|----------------------------|------------------------|------------------------|-----------------------|
| | As at 1 April 2020 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2021 | As at 1 April 2020 | For the year | Deductions/ Adjustments | As at 31 March 2021 | As at 31 March 2020 | As at 1 April 2020 |
| Computer Software | 53,84,915 | 1,90,75,000 | - | 2,44,59,915 | 3,32,059 | 16,02,040 | - | 19,34,099 | 2,25,25,816 | 50,52,856 |
| Total | 53,84,915 | 1,90,75,000 | - | 2,44,59,915 | 3,32,059 | 16,02,040 | - | 19,34,099 | 2,25,25,816 | 50,52,856 |
| | Gross block | | | | | | | | | |
| | Depreciation | | | | | | | | | |
| | Net block | | | | | | | | | |
| Particulars | As at 1 April 2019 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2020 | As at 1 April 2019 | For the year | Deductions/ Adjustments | As at 31 March 2020 | As at 31 March 2020 | As at 1 April 2019 |
| Computer Software | - | 53,84,915 | - | 53,84,915 | - | 3,32,059 | - | 3,32,059 | 50,52,856 | - |
| Total | - | 53,84,915 | - | 53,84,915 | - | 3,32,059 | - | 3,32,059 | 50,52,856 | - |

7.1 Intangible assets under development

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|-----------------------------------|------------------------|------------------------|------------------------|
| Opening Balance | 2,25,50,000 | 45,86,950 | - |
| Add : Additions during the year | 1,89,05,000 | 2,31,17,965 | 45,86,950 |
| Less: Capitalized during the year | 1,90,55,000 | 51,54,915 | - |
| Closing Balance | 2,24,00,000 | 2,25,50,000 | 45,86,950 |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

8 Investments in Subsidiaries

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 1 April 2019 | |
|--|------------------------|---------------------|------------------------|---------------------|-----------------------|---------------------|
| | No of shares | Value | 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 | 3,60,00,000 | 36,00,000 | 3,60,00,000 | 36,00,000 | 3,60,00,000 |
| Novacare Healthcare Solutions Private Limited | 1,10,00,000 | 11,00,00,000 | 1,10,00,000 | 11,00,00,000 | 1,10,00,000 | 11,00,00,000 |
| Getwell Medicare Solution Private Limited | 68,00,000 | 6,80,00,000 | 68,00,000 | 6,80,00,000 | 68,00,000 | 6,80,00,000 |
| Galaxystar Pharma Distributors Private Limited | 10,000 | 4,80,00,000 | 10,000 | 4,80,00,000 | 10,000 | 4,80,00,000 |
| Chhabra Healthcare Solutions Private Limited | 10,000 | 3,50,00,000 | 10,000 | 3,50,00,000 | 10,000 | 3,25,00,000 |
| RSM Pharma Private Limited | 15,00,000 | 4,77,00,000 | 15,00,000 | 4,77,00,000 | 15,00,000 | 4,77,00,000 |
| Sundarlal Pharma Distributors Private Limited | 10,000 | 2,30,00,000 | 10,000 | 2,30,00,000 | 10,000 | 2,30,00,000 |
| Avenues Pharma Distributors Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| Chirag Medicare Solutions Private Limited | 1,00,000 | 10,00,000 | 1,00,000 | 10,00,000 | - | - |
| Jaggi Enterprises Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| Chethana Healthcare Solutions Private Limited | 1,00,000 | 10,00,000 | 1,00,000 | 10,00,000 | - | - |
| Vasavi Medicare Solutions Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| SVMED Solutions Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| Chethana Pharma Private Limited | 3,00,000 | 30,00,000 | 3,00,000 | 30,00,000 | - | - |
| Millennium Medisolutions Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| Rada Medisolutions Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| Sesha Balajee Medisolutions Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| Barros Enterprises Private Limited | 10,000 | 1,00,000 | 10,000 | 1,00,000 | - | - |
| Chethana pharma Distributors Private Limited | 10,000 | 1,00,000 | - | - | - | - |
| Sree Venkateshwara Medisolutions Private Limited | 10,000 | 1,00,000 | - | - | - | - |
| CPD Pharma Private Limited | 10,000 | 1,01,00,000 | - | - | - | - |
| Calcutta Medisolutions Private Limited | 10,000 | 1,00,000 | - | - | - | - |
| Curever Pharma Private Limited | 10,000 | 1,00,000 | - | - | - | - |
| Rimedio Pharma Private Limited | 10,000 | 1,00,000 | - | - | - | - |
| Quromed Life Sciences Private Limited | 10,000 | 1,00,000 | - | - | - | - |
| Gurantee Commission (As per IND AS) | - | 28,50,000 | - | 44,00,000 | - | 25,00,000 |
| Total (equity instruments) | 2,35,80,000 | 38,70,50,000 | 2,35,10,000 | 37,79,00,000 | 2,29,30,000 | 36,77,00,000 |

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 1 April 2019 | |
|--|------------------------|--------------|------------------------|--------------|-----------------------|--------------|
| | No of shares | Value | No of shares | Value | No of shares | Value |
| Aggregate amount of unquoted investments before impairment | 2,35,80,000 | 38,42,00,000 | 2,35,10,000 | 37,35,00,000 | 2,29,30,000 | 36,52,00,000 |
| Aggregate amount of impairment in the value of investment | - | - | - | - | - | - |



9 Loans

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|-----------------------------------|------------------------|------------------------|------------------------|
| <u>Unsecured, considered good</u> | | | |
| Security Deposits | 3,00,62,643 | 2,22,47,187 | 1,07,42,855 |
| Total | 3,00,62,643 | 2,22,47,187 | 1,07,42,855 |

10 Deferred tax assets/(liabilities) (net)

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--|------------------------|------------------------|------------------------|
| Deferred tax asset on account of: | | | |
| Expenses provided but allowable in Income Tax on payment basis | 30,97,332 | 17,85,749 | 10,21,960 |
| On Ind AS 116 Adjustment | 69,95,487 | 34,69,778 | 6,45,190 |
| Gratuity & Leave Encashment | 9,66,385 | 3,79,234 | 1,18,890 |
| Expected Credit Loss Provision | 3,81,174 | 61,958 | 8,772 |
| Unabsorbed depreciation | - | 18,63,415 | - |
| Unabsorbed loss | - | 1,91,72,105 | 1,91,72,105 |
| Deferred tax liability on account of: | | | |
| Fair Valuation of Investment | - | - | (21,367) |
| Timing difference between tax depreciation and depreciation charged in the books | (32,10,100) | (20,77,431) | (2,96,850) |
| Net deferred tax assets(Liabilities) | 82,30,279 | 2,46,54,808 | 2,06,48,700 |
| Total | - | - | - |

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

| Particulars | As at 01 April 2019 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | As at 31 March 2020 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | As at 31 March 2021 |
|--|---------------------------|---------------------------------|----------------------------------|------------------------|---------------------------------|-------------------------------|------------------------|
| Timing difference between tax depreciation and depreciation charged in the books | (2,96,850) | (17,80,582) | - | (20,77,431) | (11,32,668) | - | (32,10,100) |
| Expenses provided but allowable in Income Tax on payment basis | 10,21,960 | 7,63,789 | - | 17,85,749 | 13,11,583 | - | 30,97,332 |
| On Ind AS 116 Adjustment | 6,45,190 | 28,24,588 | - | 34,69,778 | 35,25,709 | - | 69,95,487 |
| Gratuity & Leave Encashment | 1,18,890 | 3,47,618 | (87,274) | 3,79,234 | 5,07,104 | 80,047 | 9,66,385 |
| Expected Credit Loss Provision | 8,772 | 53,186 | - | 61,958 | 3,19,216 | - | 3,81,174 |
| Unabsorbed depreciation | - | 18,63,415 | - | 18,63,415 | (18,63,415) | - | - |
| Unabsorbed loss | 1,91,72,105 | - | - | 1,91,72,105 | (1,91,72,105) | - | - |
| Fair Valuation of Investment | (21,367) | 21,367 | - | - | - | - | - |
| Net Net deferred tax assets/(liability) | 2,06,48,700 | 40,93,381 | (87,274) | 2,46,54,808 | (1,65,04,576) | 80,047 | 82,30,279 |

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.

11 Non current Tax assets (Net)

| | | | |
|--------------------------|--------------------|--------------------|------------------|
| Advance income tax (Net) | 2,13,44,455 | 2,58,13,015 | 61,46,061 |
| Total | 2,13,44,455 | 2,58,13,015 | 61,46,061 |

12 Other non-current assets

| | | | |
|---|----------|------------------|--------------------|
| Capital advance | - | 43,88,197 | 1,05,98,973 |
| Total other non-current other assets | - | 43,88,197 | 1,05,98,973 |

13 Inventories

At lower of cost and net realizable value

| | | | |
|--|---------------------|---------------------|--------------------|
| Stock in trade [Include Goods-in-transit of INR 5,32,01,754 (previous year INR 3,56,986)]* | 47,38,62,551 | 27,11,49,216 | 3,86,33,575 |
| Total | 47,38,62,551 | 27,11,49,216 | 3,86,33,575 |

*[(include one time inventory write down provision of INR 27,13,93,832(Previous year nil)]

14 Current Investment

Investments in Mutual Funds (Quoted) at FVTPL:

HDFC Overnight Fund Regular Plan Growth (No of units : Nil March 21 ; No of units : Nil March 20 ; No of units : 17,812.39 April 19)

| | | | |
|--------------|---|---|--------------------|
| Total | - | - | 5,00,82,181 |
| | | | 5,00,82,181 |

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 1 April 2019 | |
|---|------------------------|-------|------------------------|-------|-----------------------|-------------|
| | No of units | Value | No of units | Value | No of units | Value |
| Aggregate amount of unquoted investments | - | - | - | - | 17,812 | 5,00,82,181 |
| Aggregate amount of impairment in the value of investment | - | - | - | - | - | - |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

15 Trade receivable

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--|------------------------|------------------------|------------------------|
| Unsecured | | | |
| -Considered good | 31,00,13,093 | 17,49,67,550 | 3,63,50,077 |
| -Considered doubtful | - | - | - |
| Receivables which have significant increase in Credit Risk | - | - | - |
| Credit impaired | (14,66,055) | (2,38,300) | (33,737) |
| Less : Allowance for bad and doubtful debts | - | - | - |
| Total | 30,85,47,038 | 17,47,29,250 | 3,63,16,340 |
| Further classified as: | | | |
| Receivable from related parties (Refer note 45) | 12,98,70,893 | 1,12,65,695 | 26,13,306 |
| Receivable from others | 17,86,76,145 | 16,34,63,555 | 3,37,03,034 |
| Total | 30,85,47,038 | 17,47,29,250 | 3,63,16,340 |

16 Cash and cash equivalents

| | | | |
|--|---------------------|---------------------|---------------------|
| Balances with banks: | | | |
| On current accounts | 16,21,48,623 | 16,12,09,589 | 6,83,19,749 |
| Fixed deposits with maturity of less than 3 months | - | - | 50,00,00,005 |
| Cash on hand | 39,117 | 40,280 | - |
| Total | 16,21,87,740 | 16,12,49,869 | 56,83,19,754 |

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 | 50,44,11,718 | 27,60,00,000 | 10,00,00,000 |
| Total | 50,44,11,718 | 27,60,00,000 | 10,00,00,000 |

18 Current financial assets - Loans

| | | | |
|--|-----------------------|-----------------------|-----------------------|
| <u>Unsecured, considered good</u> | | | |
| Loans to related party (Refer Note 45) | 2,42,96,69,414 | 2,50,12,87,967 | 1,12,19,23,384 |
| Loans to others | - | 22,75,398 | 1,13,69,120 |
| Less : Impairment Allowance | - | (10,00,000) | (10,00,000) |
| Total | 2,42,96,69,414 | 2,50,25,63,365 | 1,13,22,92,504 |

19 Other financial assets

| | | | |
|---|---------------------|---------------------|--------------------|
| Interest accrued on ICD (Refer note 45) | 23,31,28,832 | 16,33,61,386 | 3,96,64,397 |
| Interest accrued on FD | 61,10,702 | 58,31,194 | 16,89,554 |
| Staff advance | 7,00,781 | 10,21,850 | - |
| Total | 23,99,40,315 | 17,02,14,430 | 4,13,53,951 |

20 Other current assets

| | | | |
|--|---------------------|---------------------|--------------------|
| Advance to suppliers | 3,65,13,995 | 9,14,43,671 | 2,30,73,213 |
| Less : Provision for doubtful advances | (90,526) | (90,526) | - |
| Balances with Governments Authorities | 16,31,64,223 | 7,56,93,034 | 2,72,54,453 |
| Prepaid Expenses | 3,68,92,876 | 19,07,181 | 7,64,065 |
| Other Receivables | 30,79,034 | 81,64,830 | 18,23,141 |
| Provision for purchase return | 61,31,296 | 1,25,51,193 | - |
| Total | 24,56,90,898 | 18,96,69,383 | 5,29,14,872 |



21 Equity Share capital

| Particulars | As at | As at | As at |
|--|------------------|------------------|------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| a. Authorised Share Capital | | | |
| 10,000 (31 March 2020: 250,000 and 1 April 2019:250,000) Equity Shares of INR 10 each | 25,00,000 | 25,00,000 | 25,00,000 |
| Total | 25,00,000 | 25,00,000 | 25,00,000 |
| b. Issued, Subscribed and Paid-up: | | | |
| 10,000 (31 March 2020: 100,200 and 1 April 2019:100,200) Equity Shares of INR 10 each | 10,02,000 | 10,02,000 | 10,02,000 |
| Total | 10,02,000 | 10,02,000 | 10,02,000 |

| Particulars | As at | | As at | | As at | |
|--|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | 31 March 2021 | | 31 March 2020 | | 01 April 2019 | |
| | No of shares | Amount | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 1,00,200 | 10,02,000 | 1,00,200 | 10,02,000 | - | - |
| Add: Issued during the year | - | - | - | - | 1,00,200 | 10,02,000 |
| Outstanding at the end of the year | 1,00,200 | 10,02,000 | 1,00,200 | 10,02,000 | 1,00,200 | 10,02,000 |

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 | | As at | | As at | |
|-------------------------|---------------|----|---------------|----|---------------|----|
| | 31 March 2021 | | 31 March 2020 | | 01 April 2019 | |
| | No of shares | % | No of shares | % | No of shares | % |
| Mr. Prabhat Agrawal | 60000 | 60 | 60,000 | 60 | 60,000 | 60 |
| Mr. Prem Sethi | 40000 | 40 | 40,000 | 40 | 40,000 | 40 |

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.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.

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

22 Instruments entirely equity in nature

Preference share capital

| Particulars | As at | As at | As at |
|---|-----------------------|-----------------------|-----------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| a. Authorised Share Capital | | | |
| 0.0001% Compulsory Convertible Preference shares (CCPS) | | | |
| Series A1 CCPS (March 21 : 39,54,99,900 ; March 20 : 39,54,99,900 ; April 19 : 24,14,99,900) of INR 10 each | 3,95,49,99,000 | 3,95,49,99,000 | 2,41,49,99,000 |
| Series A2 CCPS (March 21 : 16,94,99,900 ; March 20 : 16,94,99,900 ; April 19 : 10,34,99,900) of INR 10 each | 1,69,49,99,000 | 1,69,49,99,000 | 1,03,49,99,000 |
| Series A3 CCPS (March 21 : 29,00,000 ; March 20 : 29,00,000 ; April 19 : 29,00,000) of INR 10 each | 2,90,00,000 | 2,90,00,000 | 2,90,00,000 |
| Series A4 CCPS (March 21 : 3,18,50,200 ; March 20 : 3,18,50,200 ; April 19 : 1,68,50,200) of INR 10 each | 31,85,02,000 | 31,85,02,000 | 16,85,02,000 |
| Total | 5,99,75,00,000 | 5,99,75,00,000 | 3,64,75,00,000 |
| b. Issued, Subscribed and Paid-up: | | | |
| Series A1 CCPS (March 21 : 368,999,900 ; March 20 : 293,999,900 ; April 19 : 174,999,900) of INR 10 each | 3,68,99,99,000 | 2,93,99,99,000 | 1,74,99,99,000 |
| Series A2 CCPS (March 21 : 125,999,900 ; March 20 : 125,999,900 ; April 19 : 74,999,900) of INR 10 each | 1,25,99,99,000 | 1,25,99,99,000 | 74,99,99,000 |
| Series A3 CCPS (March 21 : 29,00,000 ; March 20 : 29,00,000 ; April 19 : 29,00,000) of INR 10 each | 2,90,00,000 | 2,90,00,000 | 2,90,00,000 |
| Series A4 CCPS (March 21 : 19,212,500 ; March 20 : 15,812,500 ; April 19 : 6,512,500) of INR 10 each | 19,21,25,000 | 15,81,25,000 | 6,51,25,000 |
| Total | 5,17,11,23,000 | 4,38,71,23,000 | 2,59,41,23,000 |

| Particulars | As at | | As at | | As at | |
|--|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|
| | 31 March 2021 | | 31 March 2020 | | 01 April 2019 | |
| | No of shares | Amount | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 43,87,12,300 | 4,38,71,23,000 | 25,94,12,300 | 2,59,41,23,000 | - | - |
| Add: Issued during the year | 7,84,00,000 | 78,40,00,000 | 17,93,00,000 | 1,79,30,00,000 | 25,94,12,300 | 2,59,41,23,000 |
| Outstanding at the end of the year | 51,71,12,300 | 5,17,11,23,000 | 43,87,12,300 | 4,38,71,23,000 | 25,94,12,300 | 2,59,41,23,000 |



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 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 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|---|------------------------|------|------------------------|------|------------------------|------|
| | No of shares | % | No of shares | % | No of shares | % |
| Series A1 CCPS are issued to Orbimed Asia III Mauritius Limited | 36,89,99,900 | 100% | 29,39,99,900 | 100% | 17,49,99,900 | 100% |
| Series A2 CCPS are issued to I M Investments Trust | 1,25,99,99,000 | 100% | 12,59,99,900 | 100% | 7,49,99,900 | 100% |
| Series A3 CCPS are issued to Mr. Prabhat Agrawal | 17,40,000 | 60% | 17,40,000 | 60% | 17,40,000 | 60% |
| Series A3 CCPS are issued to Mr. Prem Sethi | 11,60,000 | 40% | 11,60,000 | 40% | 11,60,000 | 40% |
| Series A4 CCPS are issued to Novacare Drug Specialities Private Limited | 48,00,000 | 25% | 48,00,000 | 30% | 48,00,000 | 74% |
| Series A4 CCPS are issued to K E Prakash | 45,00,000 | 23% | 45,00,000 | 28% | - | - |
| Series A4 CCPS are issued to Mr. Petros Diamantides | 17,12,500 | 9% | 17,12,500 | 11% | 17,12,500 | 26% |
| Series A4 CCPS are issued to R Prashanth | 15,00,000 | 8% | 15,00,000 | 9% | - | - |
| Series A4 CCPS are issued to Manoj K Sanghani | 13,75,000 | 7% | 10,00,000 | 6% | - | - |
| Series A4 CCPS are issued to Vikram Aditya Ambre | 13,75,000 | 7% | 10,00,000 | 6% | - | - |
| Series A4 CCPS are issued to Hemant Barros | 10,00,000 | 5% | - | 0% | - | - |
| Series A4 CCPS are issued to Millennium Medicare Private Limited | 10,00,000 | 5% | - | 0% | - | - |

23 Other equity

i) Retained Earnings

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---|------------------------|------------------------|------------------------|
| Opening balance | (12,59,12,734) | (10,99,95,375) | - |
| Add: Loss for the year | (18,15,12,269) | (1,62,53,030) | (10,99,95,375) |
| Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax) | 3,18,026 | (3,35,670) | - |
| Closing balance | (30,77,43,029) | (12,59,12,734) | (10,99,95,375) |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR, unless otherwise stated)

24 Lease Liability

| Particulars | As at | | As at | | As at | |
|-------------------|---------------------|--------------------|---------------------|--------------------|--------------------|------------------|
| | 31 March 2021 | | 31 March 2020 | | 01 April 2019 | |
| | Long term | Short term | Long term | Short term | Long term | Short term |
| At amortised cost | | | | | | |
| Lease Liability | 20,55,94,335 | 2,62,49,408 | 17,41,57,490 | 1,30,85,451 | 8,05,57,640 | 51,17,213 |
| Total | 20,55,94,335 | 2,62,49,408 | 17,41,57,490 | 1,30,85,451 | 8,05,57,640 | 51,17,213 |

25 Provisions

| Particulars | As at | | As at | | As at | |
|--|------------------|--------------------|------------------|--------------------|-----------------|------------------|
| | 31 March 2021 | | 31 March 2020 | | 01 April 2019 | |
| | Long term | Short term | Long term | Short term | Long term | Short term |
| a) Provision for employee benefits (Refer note 39) | | | | | | |
| Provision for gratuity (unfunded) | 37,06,241 | 10,625 | 14,52,803 | 5,788 | 4,54,461 | 2,808 |
| Provision for leave encashment (unfunded) | - | 67,79,962 | - | 25,09,601 | - | 15,00,000 |
| Provision for Sales return | - | 71,13,786 | - | 1,46,27,155 | - | - |
| Total Provisions | 37,06,241 | 1,39,04,373 | 14,52,803 | 1,71,42,544 | 4,54,461 | 15,02,808 |

26 Trade payables

| Particulars | As at | As at | As at |
|---|---------------------|---------------------|--------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Total outstanding dues of micro enterprises and small enterprises | 17,21,395 | 15,01,398 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 12,76,83,333 | 13,12,40,500 | 1,07,84,824 |
| Total trade payables | 12,94,04,728 | 13,27,41,898 | 1,07,84,824 |

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

| Particulars | As at | As at | As at |
|---|------------------|------------------|---------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | | | |
| Principal | 17,21,395 | 15,01,398 | - |
| Total | 17,21,395 | 15,01,398 | - |
| (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 45 for trade payables to related parties

27 Other financial liabilities

| Particulars | As at | As at | As at |
|--|--------------------|--------------------|--------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Employee liabilities | 2,47,06,232 | 1,76,76,267 | 1,51,41,782 |
| Other Financial Liabilities | 3,19,21,249 | 1,41,84,569 | 22,17,081 |
| Total other financial liabilities | 5,66,27,481 | 3,18,60,836 | 1,73,58,863 |

28 Other current liabilities

| Particulars | As at | As at | As at |
|--|--------------------|--------------------|------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Statutory dues payable | 41,61,935 | 36,50,515 | 23,18,007 |
| Deferred Income | 28,50,000 | 44,00,000 | 25,00,000 |
| Contract liabilities | 2,01,95,057 | 1,64,82,198 | 1,00,000 |
| Total other current liabilities | 2,72,06,992 | 2,45,32,713 | 49,18,007 |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

29 Revenue from operations

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Sale of Traded goods | 99,89,55,068 | 55,99,84,242 |
| Total revenue from operations | <u>99,89,55,068</u> | <u>55,99,84,242</u> |
| Analysis of revenues by segments: | | |
| Trading of pharmaceutical and surgical products. | 99,89,55,068 | 55,99,84,242 |
| Revenue based on Geography | | |
| Domestic | 97,18,92,946 | 97,18,92,946 |
| Export | 2,70,62,122 | - |
| Total | <u>99,89,55,068</u> | <u>97,18,92,946</u> |

Revenue based on timing of recognition

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Revenue recognition at a point in time | 99,89,55,068 | 55,99,84,242 |
| Revenue recognition over period of time | - | - |
| Total | <u>99,89,55,068</u> | <u>55,99,84,242</u> |

Details of sales return liabilities:

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Balance at the beginning of the year | 1,46,27,155 | - |
| Provision made during the year, net of reversals | 71,13,786 | 1,46,27,155 |
| Provision used during the year | (1,46,27,155) | - |
| Balance at the end of the year | <u>71,13,786</u> | <u>1,46,27,155</u> |

Current

Non current

Details of contract asset:

Company recognises an asset i.e., right to the returned goods (included in inventories) for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with remeasuring the refund liability at the end of each reporting period, the Company 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.

Details of contract liabilities :

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Advance from customers | 2,01,95,057 | 1,64,82,198 |
| Movement in Contract liabilities | | |
| Opening Balance | 1,64,82,198 | 1,00,000 |
| Revenue recognised that was included in contract liability balance at the beginning of the period | (1,64,82,198) | (1,00,000) |
| Increases due to cash received, excluding amounts recognised as revenue during the period | 2,01,95,057 | 1,64,82,198 |
| Closing Balance | <u>2,01,95,057</u> | <u>1,64,82,198</u> |

30 Other income

| | | |
|--|---------------------|---------------------|
| Interest income | | |
| - on fixed deposits designated as amortized cost | 2,22,28,347 | 1,28,55,110 |
| - on intercorporate deposit (Refer note 45) | 20,44,79,875 | 18,13,37,836 |
| - Other interest income | 13,91,245 | 56,913 |
| - Interest on unwinding of security deposits | 10,72,959 | 4,38,946 |
| Net gain on sale of investments through profit and loss | - | 1,04,49,059 |
| Net gain or loss on foreign currency transaction and translation | 38,32,299 | 19,44,166 |
| Commission on Sales | - | 7,66,272 |
| Marketing Support | 4,97,21,032 | - |
| Miscellaneous income | 12,82,938 | 1,93,381 |
| Total other income | <u>28,40,08,695</u> | <u>20,80,41,683</u> |

31 Purchase of Stock-in-trade

| | | |
|-----------------------------|-----------------------|---------------------|
| Purchases of Stock-in-trade | 1,18,07,46,129 | 71,33,12,934 |
| Total | <u>1,18,07,46,129</u> | <u>71,33,12,934</u> |

32 Changes in inventories of stock-in-trade



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| | | |
|--|-----------------------|-----------------------|
| Inventories at the beginning of the year | | |
| -Stock in trade | 27,11,49,216 | 3,86,33,575 |
| | <u>27,11,49,216</u> | <u>3,86,33,575</u> |
| Less: Inventories at the end of the year | | |
| Stock in trade | (47,38,62,551) | (27,11,49,216) |
| | <u>(47,38,62,551)</u> | <u>(27,11,49,216)</u> |
| Net decrease/ (increase) | <u>(20,27,13,335)</u> | <u>(23,25,15,641)</u> |

33 Employee benefits expense

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Salaries, wages, bonus and other allowances | 21,25,51,944 | 14,12,48,482 |
| Contribution to Provident Fund and other funds | 60,52,023 | 34,25,671 |
| Gratuity and leave encashment(Refer note 39) | 66,72,805 | 29,86,780 |
| Staff welfare expenses | 66,07,403 | 34,37,324 |
| Total employee benefits expense | <u>23,18,84,175</u> | <u>15,10,98,257</u> |

34 Finance costs

| | | |
|---------------------------------------|--------------------|--------------------|
| Bank Charges | 8,39,812 | 2,20,842 |
| Interest on delay in payment of taxes | 21,561 | - |
| Other Interest Expenses | 59,500 | 82,500 |
| Interest on Lease Liabilities | 2,16,62,714 | 1,32,40,490 |
| Total finance costs | <u>2,25,83,587</u> | <u>1,35,43,832</u> |

35 Depreciation and amortization expense

| | | |
|--|--------------------|--------------------|
| Depreciation (Refer note 5) | 7,18,56,685 | 4,11,25,386 |
| Amortization (Refer note 7) | 16,02,040 | 3,32,059 |
| Total depreciation and amortization expense | <u>7,34,58,725</u> | <u>4,14,57,445</u> |

36 Other expenses

| | | |
|---|---------------------|--------------------|
| Rent | 60,10,534 | 1,21,39,275 |
| Rates and taxes | 19,81,645 | 56,45,092 |
| Legal and professional charges | 5,17,17,627 | 2,66,03,550 |
| Travelling expenses | 1,13,86,356 | 2,08,95,669 |
| Brokerage | 66,61,621 | 9,79,314 |
| Provision for loans and advances given | - | 90,526 |
| Power and fuel | 52,90,346 | 28,07,963 |
| Repairs and maintenance | 29,00,566 | 10,55,359 |
| Distribution Cost | 2,63,72,552 | 1,33,15,653 |
| Printing and stationery | 23,21,842 | 8,87,000 |
| Communication expenses | 16,20,272 | 6,15,920 |
| Business promotion expenses | 1,52,50,265 | 12,89,337 |
| IT Expenses | 43,64,697 | 29,68,814 |
| Subscription Expenses | 12,50,135 | 8,94,732 |
| Net Impairment losses on trade receivables/Financial assets | 12,27,755 | 2,04,563 |
| Auditor's remuneration (Refer note below) | 9,06,000 | 5,50,000 |
| Housekeeping Expenses | 5,39,210 | 2,67,912 |
| Sign on Amount | 60,00,000 | - |
| Office Aircon Charges | 4,51,639 | 2,34,987 |
| Insurance | 15,17,648 | 6,47,522 |
| Miscellaneous expenses | 1,07,46,041 | 52,88,940 |
| Total other expenses | <u>15,85,16,751</u> | <u>9,73,82,128</u> |

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

| | | |
|-----------------|-----------------|-----------------|
| As auditor: | | |
| Statutory audit | 9,06,000 | 5,50,000 |
| Total | <u>9,06,000</u> | <u>5,50,000</u> |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

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

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Reconciliation of effective tax rate:

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit/(Loss) before income tax expense | (18,15,12,269) | (1,62,53,030) |
| Enacted income tax rate in India applicable to the Company 25.17% (Section 115BAA) & 26.00% (FY 2019-20) | (4,56,86,638) | (42,25,788) |
| Tax effect of: | | |
| Permanent Disallowances | - | - |
| Deferred tax assets not created on loss | 4,56,86,638 | 42,25,788 |
| Total tax expenses as per statement of Profit and Loss Account* | - | - |

*Note: For major components of DTA/DTL, please refer note number 10

38 Earnings per share

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit attributable to the equity holders of the Company (A) (INR) | (18,15,12,269) | (1,62,53,030) |
| Weighted Average number of shares issued for Basic EPS (B) | 1,00,200 | 1,00,200 |
| Adjustment for calculation of Diluted EPS (c) | - | 39,49,87,328 |
| Basic EPS in INR | (1,811.50) | (162.21) |
| Diluted EPS in INR | (1,811.50) | (0.04) |



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 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Contribution to Provident Fund | 57,76,913 | 31,94,244 |
| Employers Contribution to Employee state insurance | 2,57,595 | 2,21,275 |
| Employers Contribution to Labour welfare fund | 17,515 | 10,152 |

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 2021 | For the Year ended 31 March 2020 |
|-------|---|-------------------------------------|-------------------------------------|
| | | Gratuity (Unfunded) | Gratuity (Unfunded) |
| I | Expenses recognised in statement of profit and loss during the year: | | |
| | Current service cost | 17,89,810 | 12,57,810 |
| | Net interest cost / (income) on the net defined benefit liability / (asset) | 1,50,439 | 79,188 |
| | Total expenses | 19,40,249 | 13,36,998 |
| II | Included in other comprehensive income | | |
| | Amount recognized in OCI, Beginning of Period | (3,35,670) | - |
| | Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations | (31,831) | - |
| | Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations | 3,49,857 | 79,465 |
| | Actuarial (gains)/ losses due to experience on defined benefit obligations | - | (4,15,135) |
| | Total Remeasurement recognized in OCI | 3,18,026 | (3,35,670) |
| | Total Recognized in OCI, End of period | (17,644) | (3,35,670) |
| III | Net liability recognised as at balance sheet date: | | |
| | Present value of defined benefit obligation | (37,16,866) | (14,58,591) |
| | Deficit | (37,16,866) | (14,58,591) |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| | | |
|---|------------------|------------------|
| IV Movements in present value of defined benefit obligation | | |
| Present value of defined benefit obligation at the beginning of the year | 14,58,591 | 4,57,263 |
| Current service cost | 17,89,810 | 12,57,810 |
| Interest cost | 1,50,439 | 79,188 |
| Actuarial (gains) / loss | 3,18,026 | (3,35,670) |
| Present value of defined benefit obligation at the end of the year | 37,16,866 | 14,58,591 |

V Maturity profile of defined benefit obligation

| | | |
|--|-----------|-----------|
| a Expected cash flows over the next years (valued on undiscounted basis): | | |
| 1st Following Year | 10,954 | 5,970 |
| 2nd Following Year | 9,955 | 5,475 |
| 3rd Following Year | 4,81,301 | 4,870 |
| 4th Following Year | 5,87,706 | 2,46,855 |
| 5th Following Year | 6,66,696 | 3,13,038 |
| Sum of Years 6 To 10 | 23,13,692 | 10,16,717 |
| Sum of Years 11 and above | 15,12,661 | 5,96,145 |

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 | 37,16,866 | 14,58,591 |
| (i) +1% increase in discount rate | (2,18,648) | (87,887) |
| (ii) -1% decrease in discount rate | 2,36,686 | 99,445 |
| (iii) +1% increase in rate of compensation levels | 1,87,252 | 83,414 |
| (iv) -1% decrease in rate of compensation levels | (1,68,675) | (72,639) |

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.

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.

VII Actuarial assumptions:

| | As at 31 March 2021 | As at 31 March 2020 |
|--|----------------------------|----------------------------|
| 1 Discount rate | 6.28% | 6.40% |
| 2 Expected Rate of increase in compensation levels | 6.00% | 6.00% |
| 3 Withdrawal Rate | 20.00% | 20.00% |
| 4 Mortality Rate During Employment | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |
| 6 Retirement Age | 58 years | 58 years |

III Leave Encashment

The amount recognized as an expense in respect of compensated absences is 47,32,556 (March 20: INR 16,49,782)



40 Contingent liabilities & commitments

| Particulars | As at | As at | As at |
|---|----------------|----------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| Estimated Amount of contracts remaining to be executed on capital account | 30,00,000 | 14,34,639 | 3,17,28,294 |
| Contingencies: Outstanding credit facilities against corporate guarantees given in respect of credit facilities by bankers of subsidiary companies (sanction limit of INR 195 Crore March 21 ; INR 138 Crore March 20 ; INR 50 crore April 1, 2019) (Refer Note 45) | 1,38,36,50,701 | 1,05,62,20,390 | 46,49,95,082 |

41 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".

42 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 2021 and 31 March 2020.



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 | Total |
| Financial assets and liabilities as at 31 March 2021 | | | | | | | | |
| Non-current financial assets | | | | | | | | |
| Other financial assets | - | - | 3,00,62,643 | 3,00,62,643 | - | - | 3,00,62,643 | 3,00,62,643 |
| Current financial assets | | | | | | | | |
| Investment | - | - | - | - | - | - | - | - |
| Trade receivables | - | - | 30,85,47,038 | 30,85,47,038 | - | - | 30,85,47,038 | 30,85,47,038 |
| Cash and cash equivalents | - | - | 16,21,87,740 | 16,21,87,740 | - | - | 16,21,87,740 | 16,21,87,740 |
| Bank balances other than cash and cash equivalent | - | - | 50,44,11,718 | 50,44,11,718 | - | - | 50,44,11,718 | 50,44,11,718 |
| Loans | - | - | - | - | - | - | - | - |
| Other financial assets | - | - | 23,99,40,315 | 23,99,40,315 | - | - | 23,99,40,315 | 23,99,40,315 |
| Total | - | - | 1,24,51,49,454 | 1,24,51,49,454 | - | - | 1,24,51,49,454 | 1,24,51,49,454 |
| Current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 17,21,395 | 17,21,395 | - | - | 17,21,395 | 17,21,395 |
| Trade payables | - | - | 12,94,04,728 | 12,94,04,728 | - | - | 12,94,04,728 | 12,94,04,728 |
| Other financial liabilities | - | - | 5,66,27,481 | 5,66,27,481 | - | - | 5,66,27,481 | 5,66,27,481 |
| Total | - | - | 18,77,53,604 | 18,77,53,604 | - | - | 18,77,53,604 | 18,77,53,604 |

| Particulars | Carrying Amount | | | | Fair Value | | | |
|---|-----------------|----------|-----------------------|-----------------------|------------|----------|-----------------------|-----------------------|
| | FVTPL | FVTOCI | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets and liabilities as at 31 March 2020 | | | | | | | | |
| Non-current financial assets | | | | | | | | |
| Other financial assets | - | - | 2,22,47,187 | 2,22,47,187 | - | - | 2,22,47,187 | 2,22,47,187 |
| Current financial assets | | | | | | | | |
| Trade receivables | - | - | 17,47,29,250 | 17,47,29,250 | - | - | 17,47,29,250 | 17,47,29,250 |
| Cash and cash equivalents | - | - | 16,12,49,869 | 16,12,49,869 | - | - | 16,12,49,869 | 16,12,49,869 |
| Bank balances other than cash and cash equivalent | - | - | 27,60,00,000 | 27,60,00,000 | - | - | 27,60,00,000 | 27,60,00,000 |
| Loans | - | - | 2,50,25,63,365 | 2,50,25,63,365 | - | - | 2,50,25,63,365 | 2,50,25,63,365 |
| Other financial assets | - | - | 17,02,14,430 | 17,02,14,430 | - | - | 17,02,14,430 | 17,02,14,430 |
| Total | - | - | 3,30,70,04,101 | 3,30,70,04,101 | - | - | 3,30,70,04,101 | 3,30,70,04,101 |
| Non-current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 17,41,57,490 | 17,41,57,490 | - | - | 17,41,57,490 | 17,41,57,490 |
| Current financial liabilities | | | | | | | | |
| Trade payables | - | - | 13,27,41,898 | 13,27,41,898 | - | - | 13,27,41,898 | 13,27,41,898 |
| Lease Liabilities | - | - | 1,30,85,451 | 1,30,85,451 | - | - | 1,30,85,451 | 1,30,85,451 |
| Other financial liabilities | - | - | 3,18,60,836 | 3,18,60,836 | - | - | 3,18,60,836 | 3,18,60,836 |
| Total | - | - | 35,18,45,675 | 35,18,45,675 | - | - | 35,18,45,675 | 35,18,45,675 |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Particulars | Carrying Amount | | | | Fair Value | | | |
|---|-----------------|----------|-----------------------|-----------------------|--------------------|----------|-----------------------|-----------------------|
| | FVTPL | FVTOCI | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets and liabilities as at 01 April 2019 | | | | | | | | |
| Non-current financial assets | | | | | | | | |
| Other financial assets | - | - | 1,07,42,855 | 1,07,42,855 | - | - | 1,07,42,855 | 1,07,42,855 |
| Current financial assets | | | | | | | | |
| Investment | - | - | 5,00,82,181 | 5,00,82,181 | 5,00,82,181 | - | - | 5,00,82,181 |
| Trade receivables | - | - | 3,63,16,340 | 3,63,16,340 | - | - | 3,63,16,340 | 3,63,16,340 |
| Cash and cash equivalents | - | - | 56,83,19,754 | 56,83,19,754 | - | - | 56,83,19,754 | 56,83,19,754 |
| Bank balances other than cash and cash equ | - | - | 10,00,00,000 | 10,00,00,000 | - | - | 10,00,00,000 | 10,00,00,000 |
| Loans | - | - | 1,13,22,92,504 | 1,13,22,92,504 | - | - | 1,13,22,92,504 | 1,13,22,92,504 |
| Other financial assets | - | - | 4,13,53,951 | 4,13,53,951 | - | - | 4,13,53,951 | 4,13,53,951 |
| Total | - | - | 1,93,91,07,585 | 1,93,91,07,585 | 5,00,82,181 | - | 1,88,90,25,404 | 1,93,91,07,585 |
| Non-current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 8,05,57,640 | 8,05,57,640 | - | - | 8,05,57,640 | 8,05,57,640 |
| Current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 51,17,213 | 51,17,213 | - | - | 51,17,213 | 51,17,213 |
| Trade payables | - | - | 1,07,84,824 | 1,07,84,824 | - | - | 1,07,84,824 | 1,07,84,824 |
| Other financial liabilities | - | - | 1,73,58,863 | 1,73,58,863 | - | - | 1,73,58,863 | 1,73,58,863 |
| Total | - | - | 11,38,18,540 | 11,38,18,540 | - | - | 11,38,18,540 | 11,38,18,540 |

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.



44 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 | As at | As at |
|--------------------------------|---------------------|---------------------|--------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Unsecured | | | |
| -Considered good | 31,00,13,093 | 17,49,67,550 | 3,63,50,077 |
| -Considered doubtful | | | |
| Gross Trade Receivables | 31,00,13,093 | 17,49,67,550 | 3,63,50,077 |
| Less: Impairment Loss | (14,66,055) | (2,38,300) | (33,737) |
| Net Trade Receivables | 30,85,47,038 | 17,47,29,250 | 3,63,16,340 |

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 16,21,87,740 at March 31, 2021 (March 31, 2020: INR 16,12,49,869; April 1, 2019: INR 56,83,19,754). 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 2021 | | 1 year or less | 1-3 years | More than 3 years | Total |
|--|--|---------------------|---------------------|----------------------|---------------------|
| Lease Liabilities | | 4,72,15,624 | 10,13,51,789 | 16,40,16,736 | 31,25,84,148 |
| Trade Payables | | 2,62,49,408 | - | - | 2,62,49,408 |
| Other financial liabilities | | 5,66,27,481 | - | - | 5,66,27,481 |
| Total | | 13,00,92,512 | 10,13,51,789 | 16,40,16,736 | 39,54,61,037 |

| Contractual maturities of financial liabilities 31 March 2020 | | 1 year or less | 1-3 years | More than 3 years | Total |
|--|--|---------------------|--------------------|----------------------|---------------------|
| Lease Liabilities | | 3,01,86,403 | 6,53,79,743 | 17,64,86,857 | 27,20,53,004 |
| Trade Payables | | 13,27,41,898 | - | - | 13,27,41,898 |
| Other financial liabilities | | 3,18,60,836 | - | - | 3,18,60,836 |
| Total | | 19,47,89,137 | 6,53,79,743 | 17,64,86,857 | 43,66,55,738 |

| Contractual maturities of financial liabilities 01 April 2019 | | 1 year or less | 1-3 years | More than 3 years | Total |
|--|--|--------------------|--------------------|----------------------|---------------------|
| Lease Liabilities | | 1,96,88,918 | 6,20,38,727 | 21,00,14,277 | 29,17,41,922 |
| Trade Payables | | 1,07,84,824 | - | - | 1,07,84,824 |
| Other financial liabilities | | 1,73,58,863 | - | - | 1,73,58,863 |
| Total | | 4,78,32,605 | 6,20,38,727 | 21,00,14,277 | 31,98,85,609 |

(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



45 Related Party Disclosures

A. Names of related parties and nature of relationship:

| Description of relationship | Name of the related party |
|--|--|
| Subsidiaries 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 | |
| Rimedio Pharma Private Limited | |
| Quomed Life Sciences Private Limited | |
| Prabhat Agrawal (Managing Director) | |
| Key Management Personnel and their relative: | Prem Sethi (Director) |
| | Sunny Sharma (Director) |
| | Vipul Desai (Director) |

B. Details of related party transactions:

| Nature of Transaction | Name of the related party | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|---|-------------------------------------|-------------------------------------|
| Purchase of stock in trade | Novacare Healthcare Solutions Private Limited | 30,00,979 | 28,41,857 |
| | Chhabra Healthcare Solutions Private Limited | 2,90,38,838 | 7,63,565 |
| | Jaggi Enterprises Private Limited | 22,568 | 36,99,198 |
| | R S M Pharma Private Limited | - | 4,249 |
| | Millennium Medisolutions Private Limited | 2,14,20,412 | - |
| Sale of stock in trade | Chhabra Healthcare Solutions Private Limited | 41,27,342 | 30,26,677 |
| | R S M Pharma Private Limited | 24,35,984 | 2,59,510 |
| | Getwell Medicare Solution Private Limited | 2,15,20,115 | 32,12,535 |
| | Novacare Healthcare Solutions Private Limited | 15,11,88,129 | 4,57,25,443 |
| | Avenues Pharma Distributors Private Limited | 14,51,491 | 24,47,080 |
| | Barros Enterprises Pvt Ltd | 23,91,935 | 17,90,030 |
| | Chirag Medicare Solutions Private Limited | 1,39,259 | 87,363 |
| | Galaxystar Pharma Distributors Private Limited | 5,14,450 | 17,97,227 |
| | G.S.Pharmaceutical Distributors Private Limited | 28,99,389 | 12,00,488 |
| | Jaggi Enterprises Private Limited | 66,89,731 | 67,43,773 |
| | Millennium Medisolutions Private Limited | 51,18,850 | 30,78,364 |
| | Rada Medisolutions Private Limited | 57,71,812 | 8,31,985 |
| | Sundarlal Pharma Distributors Private Limited | (2,39,101) | 9,64,975 |
| | SVMED Solutions Private Limited | 94,88,257 | 44,02,387 |
| | Vasavi Medicare Solutions Private Limited | 18,25,468 | 6,85,405 |
| Sree Venkateshwara Medisolutions Private Limited | 26,95,311 | - | |
| Chethana Pharma Distributors Pvt Ltd | 43,068 | - | |
| Sesha Balajee Medisolutions Pvt Ltd | 23,70,383 | - | |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Nature of Transaction | Name of the related party | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|--|-------------------------------------|-------------------------------------|
| Loans Given | Novacare Healthcare Solutions Private Limited | 5,50,00,000 | 42,25,000 |
| | G.S.Pharmaceutical Distributors Private Limited | - | - |
| | R S M Pharma Private Limited | 2,00,00,000 | 6,55,00,000 |
| | Galaxystar Pharma Distributors Private Limited | 3,85,00,000 | 2,90,00,000 |
| | Sundarlal Pharma Distributors Private Limited | - | 4,10,00,000 |
| | Chhabra Healthcare Solutions Private Limited | - | 2,50,00,000 |
| | Getwell Medicare Solution Private Limited | - | 5,75,00,000 |
| | Avenues Pharma Distributors Private Limited | 2,80,00,000 | 53,31,00,000 |
| | Barros Enterprises Private Limited | 5,50,00,000 | 10,10,00,000 |
| | Chethana Healthcare Solutions Private Limited | 30,00,000 | 9,22,00,000 |
| | Chethana Pharma Private Limited | - | 29,80,00,000 |
| | Chirag Medicare Solutions Private Limited | 39,77,290 | 29,26,00,000 |
| | Jaggi Enterprises Private Limited | 80,00,000 | 21,18,40,000 |
| | Millennium Medisolutions Private Limited | 6,50,00,000 | 18,30,05,435 |
| | Rada Medisolutions Private Limited | 2,89,00,000 | 8,35,00,000 |
| | Sesha Balajee Medisolutions Pvt Ltd | 5,37,50,000 | 9,00,00,000 |
| | SVMED Solutions Private Limited | 4,90,00,000 | 8,95,80,000 |
| | Vasavi Medicare Solutions Private Limited | 2,30,00,000 | 12,74,98,000 |
| | Calcutta Medisolutions Private Limited | 67,60,372 | - |
| | Curever Pharma Private Limited | 80,00,000 | - |
| Sree Venkateshwara Medisolutions Private Limited | 2,49,46,424 | - | |
| Chethana Pharma Distributors Private Limited | 1,05,00,000 | - | |
| CPD Pharma Private Limited | 1,09,50,000 | - | |
| Loans Repaid | Novacare Healthcare Solutions Private Limited | 1,44,15,605 | 15,49,13,220 |
| | G.S.Pharmaceutical Distributors Private Limited | - | 2,48,13,041 |
| | Getwell Medicare Solution Private Limited | 5,51,46,004 | 8,11,35,317 |
| | Sundarlal Pharma Distributors Private Limited | 2,63,51,343 | - |
| | Avenues Pharma Distributors Private Limited | - | 25,00,00,000 |
| | Chethana Healthcare Solutions Private Limited | - | 3,25,00,000 |
| | Chethana Pharma Private Limited | 16,38,30,983 | 3,50,15,569 |
| | Chirag Medicare Solutions Private Limited | - | 18,60,00,000 |
| | Chhabra Healthcare Solutions Private Limited | - | 3,88,22,913 |
| | Galaxystar Pharma Distributors Private Limited | 9,98,42,601 | 1,00,00,000 |
| | Rada Medisolutions Private Limited | - | 2,15,00,000 |
| | R S M Pharma Private Limited | 43,59,445 | 11,70,22,792 |
| | Jaggi Enterprises Private Limited | 6,92,74,776 | - |
| | Vasavi Medicare Solutions Private Limited | 1,92,20,000 | - |
| | Barros Enterprises Private Limited | 2,94,66,885 | - |
| | Millennium Medisolutions Private Limited | 8,20,79,473 | - |
| | Calcutta Medisolutions Private Limited | - | - |
| | Curever Pharma Private Limited | - | - |
| | Sree Venkateshwara Medisolutions Private Limited | - | - |
| | Chethana Pharma Distributors Private Limited | - | - |
| CPD Pharma Private Limited | - | - | |
| Interest Income | Novacare Healthcare Solutions Private Limited | 1,73,49,162 | 2,28,71,550 |
| | G.S.Pharmaceutical Distributors Private Limited | 56,14,957 | 60,86,811 |
| | R S M Pharma Private Limited | 1,23,72,360 | 1,18,22,839 |
| | Galaxystar Pharma Distributors Private Limited | 1,16,25,490 | 1,12,85,999 |
| | Sundarlal Pharma Distributors Private Limited | 76,53,786 | 68,31,841 |
| | Chhabra Healthcare Solutions Private Limited | 66,23,862 | 86,30,283 |
| | Getwell Medicare Solution Private Limited | 1,01,18,316 | 1,65,04,440 |
| | Avenues Pharma Distributors Private Limited | 2,40,07,123 | 3,01,37,617 |
| | Barros Enterprises Pvt Ltd | 1,07,98,470 | 5,92,350 |
| | Chethana Healthcare Solutions Private Limited | 48,68,055 | 46,40,896 |
| | Chethana Pharma Private Limited | 1,63,69,092 | 1,24,10,019 |
| | Chirag Medicare Solutions Private Limited | 86,50,043 | 1,44,19,212 |
| | Jaggi Enterprises Private Limited | 1,59,64,209 | 1,19,16,916 |
| | Millennium Medisolutions Private Limited | 1,52,52,812 | 87,52,805 |
| | Rada Medisolutions Private Limited | 68,11,134 | 22,10,929 |
| | Sesha Balajee Medisolutions Pvt Ltd | 94,45,041 | 14,16,393 |
| | SVMED Solutions Private Limited | 95,89,852 | 43,79,519 |
| | Vasavi Medicare Solutions Private Limited | 1,00,16,747 | 65,07,984 |
| | Calcutta Medisolutions Private Limited | 20,420 | - |
| | Curever Pharma Private Limited | 22,575 | - |
| Sree Venkateshwara Medisolutions Private Limited | 7,10,920 | - | |
| Chethana Pharma Distributors Private Limited | 4,10,893 | - | |
| CPD Pharma Private Limited | 20,142 | - | |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Nature of Transaction | Name of the related party | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|----------------------------|---|-------------------------------------|-------------------------------------|
| Reimbursement of expenses | R S M Pharma Private Limited | - | 10,059 |
| | Chhabra Healthcare Solutions Private Limited | - | 23,100 |
| | Jaggi Enterprises Private Limited | - | 6,74,666 |
| Remuneration Paid | Prabhat Agrawal | 2,87,78,400 | 2,57,53,404 |
| | Prem Sethi | 1,28,78,396 | 1,12,78,396 |
| Corporate Guarantees Given | Novacare Healthcare Solutions Private Limited | 50,00,00,000 | 50,00,00,000 |
| | Getwell Medicare Solution Private Limited | 15,00,00,000 | 10,00,00,000 |
| | Avenues Pharma Distributors Private Limited | 30,00,00,000 | 25,00,00,000 |
| | Chethana Healthcare Solutions Private Limited | 5,00,00,000 | 5,00,00,000 |
| | Chirag Medicare Solutions Private Limited | 15,00,00,000 | 20,00,00,000 |
| | R S M Pharma Private Limited | 15,00,00,000 | 15,00,00,000 |
| | G.S.Pharmaceutical Distributors Private Limited | 8,00,00,000 | 8,00,00,000 |
| | Chhabra Healthcare Solutions Private Limited | 5,00,00,000 | 5,00,00,000 |
| | Sundarlal Pharma Distributors Private Limited | 7,00,00,000 | - |
| | Galaxystar Pharma Distributors Private Limited | 10,00,00,000 | - |
| | Jaggi Enterprises Private Limited | 10,00,00,000 | - |
| | Chethana Pharma Private Limited | 15,00,00,000 | - |
| | Millennium Medisolutions Private Limited | 10,00,00,000 | - |

C. Details of balances outstanding for related party transactions:

| Nature of Transaction | Name of the related party | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|-----------------------|--|------------------------|------------------------|------------------------|
| Loans Given | Novacare Healthcare Solutions Private Limited | 23,98,96,175 | 19,93,11,780 | 35,00,00,000 |
| | G.S.Pharmaceutical Distributors Private Limited | 7,01,86,959 | 7,01,86,959 | 9,50,00,000 |
| | R S M Pharma Private Limited | 16,41,17,763 | 14,84,77,208 | 20,00,00,000 |
| | Galaxystar Pharma Distributors Private Limited | 8,76,91,399 | 14,90,34,000 | 13,00,34,000 |
| | Sundarlal Pharma Distributors Private Limited | 7,96,17,713 | 10,59,69,056 | 6,49,69,056 |
| | Chhabra Healthcare Solutions Private Limited | 8,09,38,670 | 8,31,71,415 | 9,70,05,328 |
| | Getwell Medicare Solution Private Limited | 10,61,33,679 | 16,12,79,683 | 18,49,15,000 |
| | Avenues Pharma Distributors Private Limited | 31,11,00,000 | 28,31,00,000 | - |
| | Barros Enterprises Pvt Ltd | 12,65,33,115 | 10,10,00,000 | - |
| | Chethana Healthcare Solutions Private Limited | 6,27,00,000 | 5,97,00,000 | - |
| | Chethana Pharma Private Limited | 9,91,53,448 | 26,29,84,431 | - |
| | Chirag Medicare Solutions Private Limited | 11,05,77,290 | 10,66,00,000 | - |
| | Jaggi Enterprises Private Limited | 15,30,65,224 | 21,43,40,000 | - |
| | Millennium Medisolutions Private Limited | 16,99,75,962 | 18,70,55,435 | - |
| | Rada Medisolutions Private Limited | 9,09,00,000 | 6,20,00,000 | - |
| | Sesha Balajee Medisolutions Pvt Ltd | 14,37,50,000 | 9,00,00,000 | - |
| | SVMED Solutions Private Limited | 13,85,80,000 | 8,95,80,000 | - |
| | Vasavi Medicare Solutions Private Limited | 13,12,78,000 | 12,74,98,000 | - |
| | Calcutta Medisolutions Private Limited | 67,60,372 | - | - |
| | Curever Pharma Private Limited | 80,00,000 | - | - |
| | Sree Venkateshwara Medisolutions Private Limited | 2,49,46,424 | - | - |
| | Chethana Pharma Private Limited | 1,05,00,000 | - | - |
| | CPD Pharma Private Limited | 1,09,50,000 | - | - |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Nature of Transaction | Name of the related party | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--|--|------------------------|------------------------|------------------------|
| Interest receivable | Novacare Healthcare Solutions Private Limited | 1,60,47,975 | 2,05,84,395 | 1,93,11,781 |
| | G.S.Pharmaceutical Distributors Private Limited | 1,06,71,965 | 54,78,130 | 51,86,959 |
| | R S M Pharma Private Limited | 1,14,44,433 | 1,06,40,555 | 79,77,205 |
| | Galaxystar Pharma Distributors Private Limited | 1,07,53,578 | 1,01,57,399 | 10,77,819 |
| | Sundarlal Pharma Distributors Private Limited | 70,79,752 | 61,48,657 | 9,09,195 |
| | Chhabra Healthcare Solutions Private Limited | 61,27,072 | 77,67,255 | 11,66,087 |
| | Getwell Medicare Solution Private Limited | 93,59,442 | 1,48,53,996 | 38,64,684 |
| | Avenues Pharma Distributors Private Limited | 4,93,30,444 | 2,71,23,855 | - |
| | Barros Enterprises Pvt Ltd | 99,88,585 | 5,33,115 | - |
| | Chethana Healthcare Solutions Private Limited | 86,79,757 | 41,76,806 | - |
| | Chethana Pharma Private Limited | 1,51,41,410 | 1,11,69,017 | - |
| | Chirag Medicare Solutions Private Limited | 80,01,290 | 1,29,77,290 | - |
| | Jaggi Enterprises Private Limited | 1,47,66,893 | 1,07,25,224 | - |
| | Millennium Medisolutions Private Limited | 1,41,08,851 | 79,20,527 | - |
| | Rada Medisolutions Private Limited | 82,90,135 | 19,89,836 | - |
| | Sesha Balajee Medisolutions Pvt Ltd | 1,00,11,417 | 12,74,754 | - |
| | SVMED Solutions Private Limited | 1,28,12,180 | 39,41,567 | - |
| | Vasavi Medicare Solutions Private Limited | 92,65,491 | 58,57,185 | - |
| | Calcutta Medisolutions Private Limited | 18,889 | - | - |
| | Curever Pharma Private Limited | 20,882 | - | - |
| Sree Venkateshwara Medisolutions Private Limited | 6,57,601 | - | - | |
| Chethana Pharma Distributors Private Limited | 3,80,076 | - | - | |
| CPD Pharma Private Limited | 18,631 | - | - | |
| Trade Receivables | Novacare Healthcare Solutions Private Limited | 9,73,67,339 | 3,44,599 | 23,83,048 |
| | R S M Pharma Private Limited | 22,10,539 | 1,77,726 | 2,30,258 |
| | Barros Enterprises Pvt Ltd | 2,10,290 | 9,60,750 | - |
| | Chhabra Healthcare Solutions Private Limited | 23,28,519 | 7,30,349 | - |
| | Galaxystar Pharma Distributors Private Limited | (1,53,797) | 75,117 | - |
| | Getwell Medicare Solution Private Limited | 46,67,477 | 11,46,809 | - |
| | G.S.Pharmaceutical Distributors Private Limited | 26,67,342 | 2,58,637 | - |
| | Jaggi Enterprises Private Limited | 42,35,468 | 47,82,352 | - |
| | Millennium Medisolutions Private Limited | 5,65,057 | 2,15,878 | - |
| | Sesha Balajee Medisolutions Pvt Ltd | 7,67,411 | - | - |
| | Chirag Medicare Solutions Private Limited | (37,426) | - | - |
| | Sree Venkateshwara Medisolutions Private Limited | 20,84,558 | - | - |
| | Avenues Pharma Distributors Private Limited | 1,29,128 | - | - |
| | Chethana Pharma Private Limited | 31,403 | - | - |
| | Rada Medisolutions Private Limited | 57,21,943 | 3,82,883 | - |
| Sundarlal Pharma Distributors Private Limited | 3,81,623 | 6,47,212 | - | |
| SVMED Solutions Private Limited | 64,29,894 | 14,49,406 | - | |
| Vasavi Medicare Solutions Private Limited | 2,64,126 | 93,977 | - | |
| Investments | Novacare Healthcare Solutions Private Limited | 11,00,00,000 | 11,00,00,000 | 11,00,00,000 |
| | G.S.Pharmaceutical Distributors Private Limited | 3,60,00,000 | 3,60,00,000 | 3,60,00,000 |
| | R S M Pharma Private Limited | 4,77,00,000 | 4,77,00,000 | 4,77,00,000 |
| | Galaxystar Pharma Distributors Private Limited | 4,80,00,000 | 4,80,00,000 | 4,80,00,000 |
| | Sundarlal Pharma Distributors Private Limited | 2,30,00,000 | 2,30,00,000 | 2,30,00,000 |
| | Chhabra Healthcare Solutions Private Limited | 3,50,00,000 | 3,50,00,000 | 3,25,00,000 |
| | Getwell Medicare Solution Private Limited | 6,80,00,000 | 6,80,00,000 | 6,80,00,000 |
| | Avenues Pharma Distributors Private Limited | 1,00,000 | 1,00,000 | - |
| | Barros Enterprises Pvt Ltd | 1,00,000 | 1,00,000 | - |
| | Chethana Healthcare Solutions Private Limited | 10,00,000 | 10,00,000 | - |
| | Chethana Pharma Private Limited | 30,00,000 | 30,00,000 | - |
| | Chirag Medicare Solutions Private Limited | 10,00,000 | 10,00,000 | - |
| | Jaggi Enterprises Private Limited | 1,00,000 | 1,00,000 | - |
| | Millennium Medisolutions Private Limited | 1,00,000 | 1,00,000 | - |
| | Rada Medisolutions Private Limited | 1,00,000 | 1,00,000 | - |
| | Sesha Balajee Medisolutions Pvt Ltd | 1,00,000 | 1,00,000 | - |
| | SVMED Solutions Private Limited | 1,00,000 | 1,00,000 | - |
| | Vasavi Medicare Solutions Private Limited | 1,00,000 | 1,00,000 | - |
| | Chethana Pharma Distributors Private Limited | 1,00,000 | - | - |
| | Sree Venkateshwara Medisolutions Private Limited | 1,00,000 | - | - |
| CPD Pharma Private Limited | 1,01,00,000 | - | - | |
| Calcutta Medisolutions Private Limited | 1,00,000 | - | - | |
| Curever Pharma Private Limited | 1,00,000 | - | - | |
| Rimedio Pharma Private Limited | 1,00,000 | - | - | |
| Quoromed Life Sciences Private Limited | 1,00,000 | - | - | |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Nature of Transaction | Name of the related party | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|----------------------------|---|------------------------|------------------------|------------------------|
| Trade payables | Jaggi Enterprises Private Limited | 7,71,447 | 6,69,901 | - |
| | R S M Pharma Private Limited | | 4,627 | - |
| | Millennium Medisolutions Private Limited | 24,05,088 | | |
| | Novacare Healthcare Solutions Private Limited | 1,19,37,148 | | |
| | Chhabra Healthcare Solutions Private Limited | 60,80,856 | 8,56,136 | - |
| Corporate Guarantees Given | Novacare Healthcare Solutions Private Limited | 35,16,07,698 | 42,10,61,719 | 46,49,95,082 |
| | Getwell Medicare Solution Private Limited | 8,71,13,857 | 3,71,02,022 | - |
| | Avenues Pharma Distributors Private Limited | 24,64,84,617 | 24,14,12,850 | - |
| | Chethana Healthcare Solutions Private Limited | 1,81,17,595 | 2,67,76,904 | - |
| | Chirag Medicare Solutions Private Limited | 9,68,30,840 | 11,61,48,405 | - |
| | R S M Pharma Private Limited | 10,63,50,839 | 11,57,15,777 | - |
| | G.S.Pharmaceutical Distributors Private Limited | 7,32,53,107 | 7,00,51,097 | - |
| | Chhabra Healthcare Solutions Private Limited | 3,92,88,748 | 2,79,51,616 | - |
| | Sundarlal Pharma Distributors Private Limited | 2,77,41,340 | | |
| | Galaxystar Pharma Distributors Private Limited | 8,38,48,563 | | |
| | Jaggi Enterprises Private Limited | 6,80,73,984 | | |
| | Chethana Pharma Distributors Private Limited | 9,98,60,428 | | |
| | Millennium Medisolutions Private Limited | 8,44,61,201 | | |

D. Key management personnel compensation:

| Particulars | For the Year ended | For the Year ended |
|-------------------------|--------------------|--------------------|
| | 31 March 2021 | 31 March 2020 |
| Director Remuneration: | | |
| Salaries and Allowances | 4,16,56,796.00 | 3,70,31,800 |

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.



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

46 Disclosure related to Leases

The Company has implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from 01 April 2021 using the full retrospective approach method.

(A) Additions to Right to Use

| Particulars | As at | As at | As at |
|---------------------|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Lease hold Property | 6,79,72,757 | 11,24,46,109 | 9,03,66,705 |

(B) Carrying value of right of use assets at the end of the reporting year

| Particulars | As at | As at | As at |
|--------------------------------------|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Balance at the beginning of the year | 18,05,88,604 | 8,58,93,666 | - |
| Additions | 6,79,72,757 | 11,24,46,109 | 9,03,66,705 |
| Depreciation charge for the year | (3,42,63,069) | (1,77,51,171) | (44,73,039) |
| Balance at the end of the year | 21,42,98,292 | 18,05,88,604 | 8,58,93,666 |

(C) Carrying value of lease liability at the end of the reporting year

| Particulars | As at | As at | As at |
|--------------------------------------|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Balance at the beginning of the year | 18,72,42,941 | 8,56,74,852 | - |
| Additions | 4,26,27,006 | 9,27,83,514 | 7,92,04,682 |
| Interest on lease liability | 2,16,62,714 | 1,32,40,490 | 1,32,40,490 |
| Payment made during the year | (1,96,88,918) | (44,55,915) | (67,70,319) |
| Balance at the end of the year | 23,18,43,743 | 18,72,42,941 | 8,56,74,852 |

(D) Maturity analysis of lease liabilities

| Particulars | As at | As at | As at |
|---|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Less than one year | 4,72,15,624 | 3,01,86,403 | 1,96,88,918 |
| One to three years | 10,13,51,789 | 6,53,79,743 | 6,20,38,727 |
| More than three years | 16,40,16,736 | 17,64,86,857 | 21,00,14,277 |
| Total undiscounted lease liabilities at reporting period | 31,25,84,148 | 27,20,53,004 | 29,17,41,922 |
| Lease liabilities included in the statement of financial position at the year ended | 23,18,43,743 | 16,71,40,984 | 8,56,74,852 |

(E) Amounts recognised in statement of profit or loss

| Particulars | For the Year ended | For the Year ended |
|---|--------------------|--------------------|
| | 31 March 2021 | 31 March 2020 |
| Interest on lease liabilities | 2,16,62,714 | 1,32,40,490 |
| Expenses relating to short-term leases | 60,10,534 | 1,21,39,275 |
| Expenses relating to leases of low-value assets | - | - |
| Amortisation of Right to Use Assets | 3,42,63,069 | 1,77,51,171 |

(E) Amounts recognised in the statement of cash flows

| Particulars | For the Year ended | For the Year ended |
|-------------------------------|--------------------|--------------------|
| | 31 March 2021 | 31 March 2020 |
| Total Cash outflow for leases | 4,12,92,403 | 1,96,88,918 |

47 Statement of unhedged foreign currency exposure:

| Particulars | As at | | As at | | As at | |
|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 31 March 2021 | | 31 March 2020 | | 01 April 2019 | |
| | Amount in USD | Amount in INR | Amount in USD | Amount in INR | Amount in USD | Amount in INR |
| Advance to vendors | 1,21,062 | 89,34,504 | 6,86,127 | 5,19,15,838 | 2,49,490 | 1,72,57,547 |



48 First time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1-4 have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 1 April 2019 .In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

a Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS.

i Deemed cost

Ind AS 101 permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that at its deemed cost as at the date of the transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38. Accordingly, the Company has elected to measure all of its PPE and Intangible Asset at their previous GAAP carrying value.

ii Investments in subsidiaries and joint ventures

The Company has availed the exemption to exercise the option of considering Indian GAAP carrying amount as deemed cost under Ind AS as on transition date.

b Set out below are the applicable Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i Estimates

An company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP.The Holding Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

ii Classification and measurement of financial assets

Ind AS 101 requires an company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iii Derecognition of financial assets and liabilities

The company has applied the derecognition requirement of financial assets and financial liabilities prospectively for transaction occurring on or after the transition date..

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS

i) Reconciliation of Balance sheet as at date of transition (April 1, 2019)

| Particulars | Indian GAAP* | Adjustments | Ind AS |
|---|-----------------------|--------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1,86,63,923 | 8,58,93,666 | 10,45,57,589 |
| Capital work-in-progress | 8,15,77,836 | - | 8,15,77,836 |
| Intangible asset under development | 45,86,950 | - | 45,86,950 |
| Financial assets | | | |
| Investments | 36,52,00,000 | 25,00,000 | 36,77,00,000 |
| Other financial assets | 85,96,130 | 21,46,725 | 1,07,42,855 |
| Non Current tax assets (net) | 61,46,061 | - | 61,46,061 |
| Other non-current assets | 1,05,98,973 | - | 1,05,98,973 |
| Total non-current assets | 49,53,69,873 | 9,05,40,391 | 58,59,10,264 |
| Current assets | | | |
| Inventories | 3,86,33,575 | - | 3,86,33,575 |
| Financial assets | | | |
| Investments | 5,00,00,000 | 82,181 | 5,00,82,181 |
| Trade receivables | 3,63,50,077 | (33,737) | 3,63,16,340 |
| Cash and cash equivalents | 56,83,19,754 | - | 56,83,19,754 |
| Bank balances other than cash and cash equivalent | 10,00,00,000 | - | 10,00,00,000 |
| Loans | 1,13,22,92,504 | - | 1,13,22,92,504 |
| Other financial assets | 4,80,24,132 | (66,70,181) | 4,13,53,951 |
| Other current assets | 5,10,91,731 | 18,23,141 | 5,29,14,872 |
| Total current assets | 2,02,47,11,773 | (47,98,596) | 2,01,99,13,177 |
| Total assets | 2,52,00,81,646 | 8,57,41,795 | 2,60,58,23,441 |



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

EQUITY AND LIABILITIES

Equity

| | | | |
|---------------------------------|-----------------------|--------------------|-----------------------|
| Equity share capital | 10,02,000 | - | 10,02,000 |
| Equity Component of Pref shares | 2,59,41,23,000 | - | 2,59,41,23,000 |
| Other equity | (10,89,04,721) | (10,90,653) | (10,99,95,375) |
| Total equity | 2,48,62,20,279 | (10,90,653) | 2,48,51,29,625 |

Liabilities

Non-current liabilities

Financial liabilities

| | | | |
|--------------------------------------|------------------|--------------------|--------------------|
| Lease Liabilities | 13,42,404 | 7,92,15,236 | 8,05,57,640 |
| Provisions | 4,54,461 | - | 4,54,461 |
| Total non-current liabilities | 17,96,865 | 7,92,15,236 | 8,10,12,101 |

Current liabilities

Financial liabilities

| | | | |
|---|-----------------------|--------------------|-----------------------|
| Lease Liabilities | - | 51,17,213 | 51,17,213 |
| Trade payables | | | |
| i)total outstanding dues of micro enterprises and small enterprises | - | - | - |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise | 1,07,84,824 | - | 1,07,84,824 |
| Other financial liabilities | 1,73,58,863 | - | 1,73,58,863 |
| Other current liabilities | 24,18,007 | 25,00,000 | 49,18,007 |
| Provisions | 15,02,808 | - | 15,02,808 |
| Total current liabilities | 3,20,64,503 | 76,17,212 | 3,96,81,715 |
| Total liabilities | 3,38,61,368 | 8,68,32,448 | 12,06,93,816 |
| Total equity and liabilities | 2,52,00,81,646 | 8,57,41,794 | 2,60,58,23,441 |

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

ii) Reconciliation of Balance sheet as at 31 March 2020

| Particulars | Indian GAAP* | Adjustments | Ind AS |
|---|-----------------------|----------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 27,30,70,629 | 18,05,88,604 | 45,36,59,233 |
| Other intangible assets | 50,52,856 | - | 50,52,856 |
| Intangible asset under development | 2,25,50,000 | - | 2,25,50,000 |
| Financial assets | | | |
| Investments | 37,35,00,000 | 44,00,000 | 37,79,00,000 |
| Other financial assets | 1,28,97,156 | 93,50,031 | 2,22,47,187 |
| Deferred tax asset (net) | - | - | - |
| Non Current tax assets (net) | 2,58,13,015 | - | 2,58,13,015 |
| Other non-current assets | 43,88,197 | - | 43,88,197 |
| Total non-current assets | 71,72,71,853 | 19,43,38,635 | 91,16,10,488 |
| Current assets | | | |
| Inventories | 27,11,49,216 | - | 27,11,49,216 |
| Financial assets | | | |
| Trade receivables | 17,49,67,550 | (2,38,300) | 17,47,29,250 |
| Cash and cash equivalents | 16,12,49,869 | - | 16,12,49,869 |
| Bank balances other than cash and cash equivalent | 27,60,00,000 | - | 27,60,00,000 |
| Loans | 2,50,25,63,365 | - | 2,50,25,63,365 |
| Other financial assets | 19,44,20,252 | (2,42,05,822) | 17,02,14,430 |
| Other current assets | 18,15,04,554 | 81,64,830 | 18,96,69,383 |
| Total current assets | 3,76,18,54,806 | (1,62,79,292) | 3,74,55,75,513 |
| Total assets | 4,47,91,26,659 | 17,80,59,342 | 4,65,71,86,001 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 10,02,000 | - | 10,02,000 |
| Equity Component of Pref shares | 4,38,71,23,000 | - | 4,38,71,23,000 |
| Other equity | (11,80,15,875) | (78,96,859) | (12,59,12,734) |
| Total equity | 4,27,01,09,125 | (78,96,859) | 4,26,22,12,266 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease Liabilities | 56,74,719 | 16,84,82,771 | 17,41,57,490 |
| Provisions | 14,52,803 | - | 14,52,803 |
| Total non-current liabilities | 71,27,522 | - | 17,56,10,293 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | | | |
| i)total outstanding dues of micro enterprises and small enterprises | 15,01,398 | - | 15,01,398 |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise | 13,12,40,500 | - | 13,12,40,500 |
| Lease Liabilities | 12,022 | 1,30,73,429 | 1,30,85,451 |
| Other financial liabilities | 4,64,87,991 | (1,46,27,155) | 3,18,60,836 |
| Other current liabilities | 2,01,32,713 | 44,00,000 | 2,45,32,713 |
| Provisions | 25,15,389 | 1,46,27,155 | 1,71,42,544 |
| Total current liabilities | 20,18,90,013 | 1,74,73,429 | 21,93,63,442 |
| Total liabilities | 20,90,17,535 | 1,74,73,429 | 39,49,73,735 |
| Total equity and liabilities | 4,47,91,26,660 | 17,80,59,341 | 4,65,71,86,001 |

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Entero Healthcare Solutions Private Limited
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

iii) Reconciliation of total comprehensive income for the year ended 31 March 2020

| Particulars | Notes | Indian GAAP* | Adjustments | Ind AS |
|--|-------|---------------------|--------------------|----------------------|
| Income | | | | |
| Revenue from operations | | 56,03,80,022 | (3,95,780) | 55,99,84,242 |
| Other income | | 20,76,84,918 | 3,56,765 | 20,80,41,683 |
| Total income | | 76,80,64,940 | (39,015) | 76,80,25,925 |
| Expenses | | | | |
| Purchase of Stock-in-trade | | 71,33,12,934 | - | 71,33,12,934 |
| Changes in inventories of Stock-in-trade | | (23,25,15,641) | - | (23,25,15,641) |
| Employee benefits expense | | 15,07,62,587 | 3,35,670 | 15,10,98,257 |
| Finance costs | | 3,03,342 | 1,32,40,490 | 1,35,43,832 |
| Depreciation and amortization expense | | 2,37,06,274 | 1,77,51,171 | 4,14,57,445 |
| Other expenses | | 12,16,06,597 | (2,42,24,470) | 9,73,82,128 |
| Total expenses | | 77,71,76,094 | 71,02,861 | 78,42,78,955 |
| Profit/(Loss) before exceptional items and tax | | (91,11,154) | (71,41,876) | (1,62,53,030) |
| Exceptional items | | | | |
| Profit/(Loss) before tax | | (91,11,154) | (71,41,876) | (1,62,53,030) |
| Tax expense | | | | |
| Current tax | | - | - | - |
| Deferred tax | | - | - | - |
| Total income tax expense | | - | - | - |
| Loss for the year | | (91,11,154) | (71,41,876) | (1,62,53,030) |
| Other comprehensive income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Remeasurement (loss)/gain on defined benefit plan | | | 3,35,670 | 3,35,670 |
| Income tax effect | | | - | - |
| Total | | - | 3,35,670 | 3,35,670 |
| Items that will be reclassified to profit or loss | | | | |
| Other comprehensive income for the year, net of tax | | - | 3,35,670 | 3,35,670 |
| Total comprehensive income for the year | | (91,11,154) | (68,06,206) | (1,59,17,360) |

iv) Reconciliation of total equity as at 31 March 2020 and 01 April 2019

| Particulars | Notes | As at 31 March 2020 | As at 1 April 19 |
|--|-------|------------------------|-----------------------|
| Total equity (shareholder's funds) as per previous GAAP | | 4,27,01,09,123 | 2,48,62,20,279 |
| Adjustments: | | | |
| Under IND AS 109 - Financial Instruments | | | |
| - Loan loss provisioning as per ECL model | vi | (2,38,300) | (33,737) |
| - Fair valuation of Mutual Funds | | - | 82,181 |
| - Security Deposits | ii | (2,19,503) | (49,810) |
| Under IND AS 116 - Leases | i | (74,39,054) | (10,89,288) |
| Total | | 4,26,22,12,266 | 2,48,51,29,625 |

v) Reconciliation of total comprehensive income for the year ended 31 March 2019

| Particulars | Notes | For the Year ended 31 March 2019 |
|---|-------|--|
| Profit/(Loss) after tax as per previous GAAP | | (10,89,04,721) |
| Adjustments | | |
| Under IND AS 109 - Financial Instruments | | |
| - Loan loss provisioning as per ECL model | vi | (33,737) |
| - Fair valuation of Mutual Funds | | 82,181 |
| - Unwinding of security Deposits | ii | (49,810) |
| Under IND AS 116 - Leases | i | (10,89,288) |
| Profit after tax as per Ind AS | | (11,03,31,044) |
| Other comprehensive income, net off tax | | 3,35,670 |
| Total comprehensive income as per Ind AS | | (10,99,95,374) |

vi) Effects of Ind AS adoption on Cash Flows for year ended 31 March 2019

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.



C. Notes to first-time adoption

(i) Lease equalization reserve

Under Indian GAAP, the Company has recognized lease equalization reserve as on 31 March 2020 of INR 43,44,337 (1 April 2019: INR 13,42,404 due to straight- line impact. Under Ind AS 116, Leases, Company has adopted full retrospective approach and recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Consequently, lease equalization reserve has been decreased with a corresponding adjustment in retained earnings as of 1 April 2019 by INR 13,42,404 and Rent expense by INR 43,44,337 during the year ending 31 March 2020. On adoption of the new standard resulted in recognition of 'Right-of-Use' Asset and a lease liability. On transition date cumulative effect of applying the standard, amounting to INR 10,89,288 was debited to retained earnings.

(ii) Security deposit

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as ROU. Consequently, the amount of security deposit as on 31 March 2020 has been decreased by INR 44,29,593 (1 April 2019: INR 27,94,276 with a corresponding increase in ROU. Subsequently , security deposits are carried at amortised cost and unwinding of interest is charged to statement of profit & loss.

(iii) Investments measured at FVTPL

The Holding Company has designated investments in Mutual Funds at Fair Value through Profit and Loss (FVTPL). At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings and for the year ended March 2020, fair value gain has been recognised in Statement of profit and Loss.

(iv) Deferred tax

Indian GAAP requires assessment of virtual certainty in case of losses for recognizing deferred tax asset, but under Ind AS deferred tax assets are recognized 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.

(v) Remeasurements of post employment benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year.

(vi) Expected credit losses

The Company applies expected credit losses(ECL) model for measurement and recognition of loss allowance on trade receivables. For this purpose, the Company follows simplified approach for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require to track changes in credit risk. Rather it recognises impairments loss allowances based on lifetime ECLs of each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowances on its portfolio of trade receivables. The provision matrix is based on its its historically observed default rates over the expected life of the trade receivable.



Entero Healthcare Solutions Private Limited

Notes forming part of the Standalone Financial Statements for the year ended 31 March 2021

(Amount in INR unless otherwise stated)

49 COVID 19 Note

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. On 24 March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended 31 March 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments are required to be made to the financial statements.

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

As per our report of even date

For MSKA & Associates



Chartered Accountants

Firm Registration No.:105047W




Vaijayantimala Belsare
Partner
Membership No: 049902
Place: Mumbai
Date: 29 December 2021

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: 29 December 2021

Prem Sachi
Director
DIN: 07077034
Place: Mumbai
Date: 29 December 2021



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, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 and on the other financial information of subsidiaries, 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, 2021, of consolidated loss (including Other Comprehensive Income), 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.

Emphasis of Matter

We draw attention to Note 54 to the Consolidated Financial Statements which states that the management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognized in Consolidated Financial Statements. Accordingly, no adjustments have been made to Consolidated Financial Statements.

Our opinion is not modified in respect of this matter.



MSKA & Associates

Chartered Accountants

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.



MSKA & Associates

Chartered Accountants

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. 3,217,568,234 as at March 31, 2021, total revenue of Rs. 8,937,423,241 and net cash flows amounting to Rs. (68,703,985) 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.
- (b) The comparative financial information of the Company for the year ended March 31, 2020 and the transition date opening Balance Sheet as at April 01, 2019 included in these Consolidated Financial Statements are based on the previously issued statutory financial statements prepared in accordance with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 for the year ended March 31, 2020 and March 31, 2019 on which we issued an unmodified audit opinion vide our reports dated December 24, 2020 and November 27, 2019 respectively on those Consolidated Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have also been audited by us.

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.

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.




MSKA & Associates

Chartered Accountants

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021, 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 Holding Company, is disqualified as on March 31, 2021 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 Auditors) 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 subsidiaries Company.
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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No: 105047W


Vaijayantimala Belsare
Partner
Membership No. 049902
UDIN: 21049902AAAACO7704



Place: Mumbai
Date: December 29, 2021

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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Vaijayantimala Belsare
Partner
Membership No. 049902
UDIN: 21049902AAAACO7704



Place: Mumbai

Date: December 29, 2021

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, 2021]

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2021, 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.

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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). 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 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 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.



MSKA & Associates

Chartered Accountants

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 and 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.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary Companies, which are companies incorporated in India, have, in all material respects, 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, 2021, 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 issued by the ICAI.



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 MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Vaijayantimala Belsare
Partner
Membership No. 049902
UDIN: 21049902AAAACO7704



Place: Mumbai

Date: December 29, 2021

Entero Healthcare Solutions Private Limited
Consolidated Balance Sheet as at 31 March 2021
(Amount in INR , unless otherwise stated)

| Particulars | Notes | As at | As at | As at |
|---|-------|-----------------------|-----------------------|-----------------------|
| | | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 5 | 96,72,71,340 | 96,55,53,082 | 29,46,35,001 |
| Capital work-in-progress | 7A | - | - | 8,15,77,836 |
| Goodwill | 6 | 89,49,03,846 | 89,11,56,672 | 29,43,26,056 |
| Other intangible assets | 7 | 2,35,41,073 | 57,65,366 | - |
| Intangible asset under development | 5A | 2,24,00,000 | 2,25,50,000 | 45,86,950 |
| Financial assets | | | | |
| Loans | 8 | 5,88,48,054 | 4,94,69,462 | 2,70,59,338 |
| Deferred tax asset (net) | 9 | 32,86,058 | 24,55,133 | 14,73,661 |
| Non Current tax assets (net) | 10 | 3,32,87,001 | 3,34,21,647 | 1,02,34,314 |
| Other non-current assets | 11 | - | 44,01,560 | 1,37,67,746 |
| Total non-current assets | | 2,00,35,37,372 | 1,97,47,72,922 | 72,76,60,902 |
| Current assets | | | | |
| Inventories | 12 | 2,43,92,59,346 | 1,94,54,68,090 | 79,42,94,691 |
| Financial assets | | | | |
| Investments | 13 | - | - | 5,00,82,181 |
| Trade receivables | 14 | 2,42,59,16,234 | 2,31,80,34,203 | 1,04,94,56,232 |
| Cash and cash equivalents | 15 | 32,31,42,188 | 43,15,38,038 | 66,14,34,033 |
| Bank balances other than cash and cash equivalent | 16 | 50,50,99,935 | 27,66,15,000 | 20,03,40,000 |
| Loans | 17 | 77,00,509 | 1,35,97,875 | 1,70,81,756 |
| Other financial assets | 18 | 1,14,69,207 | 1,10,63,219 | 77,90,917 |
| Other current assets | 19 | 64,35,58,016 | 52,11,10,563 | 16,38,12,783 |
| Total current assets | | 6,35,61,45,435 | 5,51,74,26,988 | 2,94,42,92,593 |
| Total assets | | 8,35,96,82,807 | 7,49,21,99,910 | 3,67,19,53,495 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity share capital | 20 | 10,02,000 | 10,02,000 | 10,02,000 |
| Instruments entirely equity in nature | 21 | 5,17,11,23,000 | 4,38,71,23,000 | 2,59,41,23,000 |
| Other equity | 22 | (31,84,62,458) | (16,12,92,283) | (17,42,99,423) |
| Total equity | | 4,85,36,62,542 | 4,22,68,32,717 | 2,42,08,25,577 |
| Non-Controlling Interests | | | | |
| | 23 | 1,69,49,404 | 1,51,61,961 | 1,17,95,489 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 26 | - | 1,99,506 | 2,88,195 |
| Lease Liabilities | 24 | 53,23,14,946 | 52,13,35,760 | 20,62,45,055 |
| Provisions | 25 | 2,74,51,597 | 2,02,46,789 | 1,13,46,502 |
| Deferred tax Liability (net) | 9 | 1,62,24,316 | 1,72,71,057 | 51,04,319 |
| Total non-current liabilities | | 57,59,90,859 | 55,90,53,112 | 22,29,84,071 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 26 | 1,41,70,34,812 | 1,06,44,85,390 | 53,24,53,479 |
| Lease Liabilities | 24 | 7,99,04,933 | 5,44,25,767 | 2,21,12,896 |
| Trade payables | 27 | | | |
| i)total outstanding dues of micro enterprises and small enterprises | | 1,07,00,197 | 54,42,436 | 10,17,796 |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise | | 97,41,15,630 | 1,06,77,19,000 | 38,15,33,021 |
| Other financial liabilities | 28 | 10,81,55,980 | 18,44,40,153 | 3,40,15,091 |
| Other current liabilities | 29 | 12,09,26,991 | 18,39,78,108 | 1,99,84,085 |
| Provisions | 25 | 19,48,43,378 | 12,82,26,830 | 2,52,31,990 |
| Current tax liabilities (net) | 10 | 73,98,081 | 24,34,436 | - |
| Total current liabilities | | 2,91,30,80,002 | 2,69,11,52,120 | 1,01,63,48,358 |
| Total liabilities | | 3,48,90,70,861 | 3,25,02,05,232 | 1,23,93,32,429 |
| Total equity and liabilities | | 8,35,96,82,807 | 7,49,21,99,910 | 3,67,19,53,495 |

See accompanying notes to the financial statements 1-55

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

As per our report of even date

For **MSKA & Associates**

Chartered Accountants

Firm Registration No.:105097/W

Vaijayantimala Belsare
Partner
Membership No: 049902
Place: Mumbai
Date: 29 December 2021



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: 29 December 2021

Prem Sethi
Director
DIN: 07077034
Place: Mumbai
Date: 29 December 2021



Entero Healthcare Solutions Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Particulars | Notes | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 30 | 17,73,10,36,316 | 13,49,62,29,327 |
| Other income | 31 | 10,56,41,513 | 4,66,15,338 |
| Total income | | 17,83,66,77,829 | 13,54,28,44,665 |
| Expenses | | | |
| Purchase of Stock-in-trade | 32 | 16,86,56,78,671 | 12,77,53,79,798 |
| Changes in inventories of Stock-in-trade | 33 | (48,42,87,462) | (38,60,87,182) |
| Employee benefits expense | 34 | 74,94,25,738 | 56,12,67,114 |
| Finance costs | 35 | 20,03,75,095 | 12,77,17,766 |
| Depreciation and amortization expense | 36 | 16,27,67,248 | 11,49,91,248 |
| Other expenses | 37 | 45,10,92,617 | 31,09,04,356 |
| Total expenses | | 17,94,50,51,907 | 13,50,41,73,100 |
| Profit/(Loss) before tax | | (10,83,74,077) | 3,86,71,565 |
| Tax expense | | | |
| Current tax | 38 | 4,68,38,022 | 1,44,90,356 |
| Deferred tax expense/(income) | 38 | (16,76,340) | 1,13,21,392 |
| Total income tax expense | | 4,51,61,681 | 2,58,11,748 |
| (Loss)/Profit for the year | | (15,35,35,759) | 1,28,59,817 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement (loss)/gain on defined benefit plan | | (20,45,591) | 34,32,151 |
| Income tax effect | | 1,98,618 | 81,643 |
| Total | | (18,46,973) | 35,13,794 |
| Items that will be reclassified to profit or loss | | | |
| Other comprehensive income for the year, net of tax | | (18,46,973) | 35,13,794 |
| Total comprehensive income for the year | | (15,53,82,732) | 1,63,73,611 |
| Profit/Loss attributable to | | | |
| Owners of the Company | | (15,53,70,631) | 94,36,933 |
| Non-Controlling Interest | | 18,34,872 | 34,22,884 |
| | | (15,35,35,759) | 1,28,59,817 |
| Total comprehensive income attributable to | | | |
| Owners of the Company | | (15,71,70,175) | 1,30,07,139 |
| Non-Controlling Interest | | 17,87,443 | 33,66,472 |
| | | (15,53,82,732) | 1,63,73,611 |
| Earnings per share | 39 | | |
| Basic (INR) | | (0.30) | 0.02 |
| Diluted (INR) | | (0.30) | 0.02 |
| See accompanying notes to the financial statements | 1-55 | | |

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

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Vaijayantimala Belsare
Partner
Membership No: 049902

Place: Mumbai
Date: 29 December 2021



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: 29 December 2021

Prem Sethi
Director
DIN: 07077034

Place: Mumbai
Date: 29 December 2021



Entero Healthcare Solutions Private Limited
 Consolidated Statement of Changes in Equity for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

(A) Equity share capital

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---|------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 10,02,000 | 10,02,000 | - |
| Changes in Equity Share capital during the year | - | - | 10,02,000 |
| Balance at the end of the year | 10,02,000 | 10,02,000 | 10,02,000 |

(B) Other equity


| Particulars | Instruments entirely equity in nature | Reserve and surplus | Total other equity | Attributable to Non controlling interest | Total |
|---|--|-----------------------|-----------------------|--|-----------------------|
| | | Retained earnings | | | |
| Balance as at 1 April 2019 | 2,59,41,23,000 | (17,42,99,423) | 2,41,98,23,577 | 1,17,95,489 | 2,43,16,19,067 |
| Changes during the year | | - | - | - | - |
| Issued during the year | 1,79,30,00,000 | - | 1,79,30,00,000 | - | 1,79,30,00,000 |
| Profit for the year | - | 94,36,933 | 94,36,933 | 34,22,884 | 1,28,59,817 |
| Remeasurement of defined benefit plans (net of tax) | - | 35,70,206 | 35,70,206 | (56,412) | 35,13,794 |
| Total | 4,38,71,23,000 | (16,12,92,283) | 4,22,58,30,717 | 1,51,61,961 | 4,24,09,92,678 |
| As at 31 March 2020 | 4,38,71,23,000 | (16,12,92,283) | 4,22,58,30,717 | 1,51,61,961 | 4,24,09,92,678 |
| Changes during the year | | | | | |
| Issued during the year | 78,40,00,000 | - | 78,40,00,000 | - | 78,40,00,000 |
| Profit for the year | - | (15,53,70,631) | (15,53,70,631) | 18,34,872 | (15,35,35,759) |
| Remeasurement of defined benefit plans (net of tax) | - | (17,99,544) | (17,99,544) | (47,429) | (18,46,973) |
| Total | 78,40,00,000 | (15,71,70,175) | 62,68,29,825 | 17,87,444 | 62,86,17,269 |
| Cash dividends | - | - | - | - | - |
| Dividend distribution tax | - | - | - | - | - |
| Balance as at 31 March 2021 | 5,17,11,23,000 | (31,84,62,458) | 4,85,26,60,542 | 1,69,49,404 | 4,86,96,09,946 |

See accompanying notes to the financial statements

1-55

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

As per our report of even date
 For MSKA & Associates
 Chartered Accountants
 Firm Registration No.:105047W


Valjyantimala Belsare
 Partner
 Membership No: 049902

Place: Mumbai
 Date: 29 December 2021

For and on behalf of the Board of Directors of
 Entero Healthcare Solutions Private Limited
 CIN: U74999HR2018PTCO72204


Prabhat Agrawal
 Managing Director
 DIN: 07466382

Place: Mumbai
 Date: 29 December 2021


Prem Sethi
 Director
 DIN: 07077034

Place: Mumbai
 Date: 29 December 2021



Entero Healthcare Solutions Private Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | (10,83,74,077) | 3,86,71,565 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 16,27,67,248 | 11,49,91,248 |
| Finance cost | 20,03,75,095 | 12,77,17,766 |
| Provision for expected credit loss | 1,40,53,305 | 15,82,722 |
| Provision for retirement benefits & Leave obligation | 1,50,10,858 | 48,90,668 |
| Interest income | (2,64,40,832) | (2,70,71,507) |
| Provision for sales return | 6,08,56,089 | 12,02,37,202 |
| Operating profit before working capital changes | <u>31,82,47,686</u> | <u>38,10,19,664</u> |
| Changes in working capital | | |
| Increase/(Decrease) in trade payables | (8,98,25,584) | 28,58,95,824 |
| Increase in inventories | (48,95,09,013) | (38,87,16,081) |
| Increase in trade receivables | (11,91,93,645) | (57,06,49,964) |
| (Decrease)/Increase in other current liabilities | (6,30,81,557) | 15,78,34,251 |
| (Increase)/Decrease in other financial liabilities | (7,62,84,173) | 15,04,25,061 |
| (Increase)/Decrease in loans | (34,81,226) | (1,89,26,243) |
| Increase in other financial assets | (35,698) | - |
| Increase in other current assets | (12,22,49,774) | (32,19,39,505) |
| Decrease in other non current assets | 44,01,560 | 93,66,186 |
| Cash used in operations | <u>(64,10,11,424)</u> | <u>(31,56,90,807)</u> |
| Income tax paid | 4,58,33,622 | 4,94,94,424 |
| Net cash flows used in operating activities (A) | <u>(68,68,45,046)</u> | <u>(36,51,85,232)</u> |
| Cash flow from Investing activities | | |
| Purchase consideration on acquisition of business / subsidiary | (1,09,93,859) | (1,58,08,60,354) |
| Payment for property, plant and equipment and intangible assets | (9,52,85,038) | (44,95,31,619) |
| Sale of Investments | - | 5,00,82,181 |
| Interest received | 2,60,70,543 | 2,37,99,205 |
| Investment in Bank deposits | (22,84,84,935) | (7,62,75,000) |
| Net cash out flow in investing activities (B) | <u>(30,86,93,289)</u> | <u>(2,03,27,85,587)</u> |
| Cash flow from Financing activities | | |
| Proceeds from issuance of convertible preference shares | 78,40,00,000 | 1,79,30,00,000 |
| Proceeds from short-term borrowings | 35,23,49,916 | 53,19,43,222 |
| Principal paid on lease liabilities | (4,88,32,335) | (2,91,50,632) |
| Interest paid on lease | (5,21,01,472) | (3,59,07,786) |
| Lease liability | | |
| Interest paid | (14,82,73,623) | (9,18,09,980) |
| Net cash flow from financing activities (C) | <u>88,71,42,486</u> | <u>2,16,80,74,824</u> |
| Net decrease in cash and cash equivalents (A+B+C) | <u>(10,83,95,850)</u> | <u>(22,98,95,995)</u> |
| Cash and cash equivalents at the beginning of the year | <u>43,15,38,038</u> | <u>66,14,34,033</u> |
| Cash and cash equivalents at the end of the year | <u>32,31,42,188</u> | <u>43,15,38,038</u> |
| Cash and cash equivalents comprise (Refer note 15) | | |
| Balances with banks | | |
| On current accounts | 30,58,85,898 | 40,77,85,664 |
| Fixed deposits with maturity of less than 3 months | 21,000 | 13,000 |
| Cash on hand | 1,69,71,003 | 2,25,86,434 |
| Cheques on hand | 2,64,287 | 11,52,940 |
| Total cash and bank balances at end of the year | <u>32,31,42,188</u> | <u>43,15,38,038</u> |



Entero Healthcare Solutions Private Limited
 Consolidated Statement of Cash Flows for the year ended 31 March 2021
 (Amount in INR, unless otherwise stated)

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

| Particulars | 31 March 2021 | 31 March 2020 |
|---|----------------|----------------|
| Opening balance | | - |
| Cash credit facility | 1,06,44,85,390 | 53,24,53,479 |
| Vehicle Loan | 1,99,506 | 2,88,195 |
| Interest accrued and due on borrowings | 21,08,321 | - |
| Total Changes from financing cash flows | 1,06,67,93,217 | 53,27,41,674 |
| Movement | | |
| Cash flows-Cash Credit facility | 35,25,49,422 | 53,20,31,911 |
| Cash flows-Vehicle Loan | (1,99,506) | (88,689) |
| Interest paid | (14,82,73,623) | (9,18,09,980) |
| Interest expenses | 15,01,71,083 | 9,39,18,301 |
| Closing Balance | | |
| Cash credit facility | 1,41,70,34,812 | 1,06,44,85,390 |
| Vehicle Loan | - | 1,99,506 |
| Interest accrued and due on borrowings | 18,97,460 | 21,08,321 |
| | 1,41,89,32,272 | 1,06,67,93,217 |

- 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 financial statements 1-55

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

As per our report of even date

For **MSKA & Associates**
 Chartered Accountants
 Firm Registration No.:105047W


Vaijayantimala Belsare
 Partner
 Membership No: 049902
 Place: Mumbai
 Date: 29 December 2021



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


Prabhat Agrawa
 Managing Director
 DIN: 07466382
 Place: Mumbai
 Date: 29 December 2021


Prem Sethi
 Director
 DIN: 07077034
 Place: Mumbai
 Date: 29 December 2021



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

1. General Information

Entero Healthcare Solutions Private Limited alongwith its subsidiaries referred to as the "Group" is currently present in 24 cities of India. 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.

The Group has adopted Ind AS from 01 April 2020 with effective transition date of 01 April 2019 and accordingly, these financial statements together with the comparative reporting period have been prepared in accordance with the Ind AS, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other relevant provisions of the Act. The transition to Ind AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended) and other generally accepted accounting principles in India (collectively referred to as 'the Indian GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 01 April 2019 and the comparative previous year has been restated / reclassified wherever applicable. Reconciliations and explanations of the effect of the transition from Indian GAAP to Ind AS on the balance sheet, statement of profit and loss and cash flow statement are provided in Note No 50.

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 29 December 2021.

B. Principles of Consolidation and other Equity Accounting

i) Business combinations

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2016. In respect of business combinations, goodwill represents the amount recognised under the Group's previously accounting framework under Indian GAAP



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

(ii) 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.

iii) 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.



Entero Healthcare Solutions Private Limited**Notes forming part of the consolidated financial statements for the year ended 31 March 2021**

(Amount in INR, unless otherwise stated)

The subsidiaries considered in the consolidated financial statement are :

| Name of Group | Country of Incorporation | % ownership as at 31 March 2021 | 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% | 22-09-2020 |
| 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 |

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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. 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

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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 Group 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.

| Particulars | Useful Life as per prescribed in Schedule II of the Act (year) |
|--|--|
| Leasehold Improvement* | Lease Period |
| Computer and peripherals | 3 |
| 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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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/attribution 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 Group's intangible assets is as below:

| Particulars | Useful life (years) |
|-------------------|---------------------|
| Computer software | 5 |

Transition to Ind AS:

On the date of transition to Ind AS, the Group has elected to continue with the net carrying value of intangible assets recognised as at 01 April 2019 measured as per Indian GAAP and use that carrying value as the deemed cost of intangible assets.

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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 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 company's incremental borrowings rate. It is remeasured when there is a change in index or rate, if there is a change in the company's estimate of amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is 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 the carrying amount of right-of-use asset has been reduced to zero.

The company 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 company recognizes the lease payment associated with these leases as an expense over the lease term.

2.9 Inventories

Traded goods are valued at lower of cost or net realizable value. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Cost of traded goods is determined on a First In First Out ('FIFO') basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on an item-by-item basis.



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. 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



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

(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.

The company 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 company does not own any financial asset classified at fair value through profit or loss.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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 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.

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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.

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 Company 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.

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.



Entero Healthcare Solutions Private Limited

Notes forming part of the financial statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

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 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.



Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2021

(Amount in INR, 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:

On 24th March, 2021 the Ministry of Corporate Affairs (MCA) through a notification, amended schedule III of the companies act, 2013. The amendments revise Division I II and III of schedule III and are applicable from 1st April, 2021. The company is evaluating the effect of the amendments on its financial statements.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.



Entero Healthcare Solutions Private Limited
Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2021
(Amount in INR, unless otherwise stated)

5

| Particulars | Gross block | | | Depreciation | | | Net block | | | |
|------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|---------------------|----------------------------|------------------------|------------------------|------------------------|
| | As at 1 April 2020 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2021 | As at 1 April 2020 | For the year | Deductions/ Adjustments | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2020 |
| Leased assets | | | | | | | | | | |
| Right to Use Asset (Refer Note 45) | 64,04,00,914 | 10,54,05,008 | - | 74,58,05,922 | 8,66,75,529 | 10,03,69,643 | - | 18,70,45,172 | 55,87,60,750 | 55,37,25,385 |
| Owned assets | | | | | | | | | | |
| Plant and machineries | 5,20,05,508 | 62,22,410 | - | 5,82,27,918 | 26,11,141 | 37,73,761 | - | 63,84,902 | 5,18,43,016 | 4,93,94,367 |
| Electrical Installations | 7,34,16,555 | 1,15,94,048 | 2,95,000 | 8,47,15,603 | 47,96,695 | 77,42,055 | 46,973 | 1,24,91,777 | 7,22,23,826 | 6,86,19,860 |
| Furniture and fixtures | 12,45,55,011 | 1,27,62,283 | - | 13,73,17,294 | 1,04,87,095 | 1,27,28,579 | - | 2,32,15,674 | 11,41,01,620 | 11,40,67,916 |
| Office equipment | 3,85,92,008 | 68,20,806 | 2,60,800 | 4,51,52,014 | 73,53,121 | 78,58,147 | 1,09,423 | 1,51,01,845 | 3,00,50,169 | 3,12,38,887 |
| Vehicles | 1,82,89,474 | 12,35,397 | 17,18,755 | 1,78,06,116 | 30,84,797 | 22,74,220 | 7,00,464 | 46,58,553 | 1,31,47,563 | 1,52,04,677 |
| Leasehold improvements | 12,65,97,536 | 92,43,892 | - | 13,58,41,428 | 1,19,38,309 | 1,72,15,033 | - | 2,91,53,342 | 10,66,88,086 | 11,46,59,227 |
| Computer and peripherals | 2,69,71,956 | 1,07,56,425 | 7,627 | 3,77,20,754 | 83,29,192 | 89,36,462 | 1,210 | 1,72,64,444 | 2,04,56,310 | 1,86,42,764 |
| Total | 1,10,08,28,962 | 16,40,40,269 | 22,82,182 | 1,26,25,87,049 | 13,52,75,880 | 16,08,97,899 | 8,58,070 | 29,53,15,709 | 96,72,71,340 | 96,55,53,082 |

Property, plant and equipment

| Particulars | Gross block | | | Depreciation | | | Net block | | | |
|------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|---------------------|----------------------------|------------------------|------------------------|-----------------------|
| | As at 1 April 2019 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2020 | As at 1 April 2019 | For the year | Deductions/ Adjustments | As at 31 March 2020 | As at 31 March 2020 | As at 1 April 2019 |
| Leased assets | | | | | | | | | | |
| Right to Use Asset (Refer Note 45) | 24,20,86,173 | 39,83,14,741 | - | 64,04,00,914 | 1,49,53,798 | 7,17,21,731 | - | 8,66,75,529 | 55,37,25,385 | 22,71,32,375 |
| Owned assets | | | | | | | | | | |
| Plant and machineries | 31,52,412 | 4,88,66,977 | 13,881 | 5,20,05,508 | 1,13,360 | 25,02,662 | 4,881 | 26,11,141 | 4,93,94,367 | 30,39,052 |
| Electrical Installations | 58,29,756 | 6,75,88,101 | 1,302 | 7,34,16,555 | 1,40,128 | 46,56,567 | - | 47,96,695 | 6,86,19,860 | 56,89,629 |
| Furniture and fixtures | 2,45,97,777 | 10,02,48,058 | 2,90,824 | 12,45,55,011 | 12,85,917 | 92,41,401 | 40,223 | 1,04,87,095 | 11,40,67,916 | 2,33,11,860 |
| Office equipment | 1,13,15,280 | 3,04,16,391 | 28,39,663 | 3,85,92,008 | 6,33,316 | 67,33,829 | 14,024 | 73,53,121 | 3,12,38,887 | 1,06,81,964 |
| Vehicles | 80,19,995 | 1,14,53,968 | 11,84,488 | 1,82,89,474 | 10,92,024 | 21,69,282 | 1,76,509 | 30,84,797 | 1,52,04,677 | 69,27,971 |
| Leasehold improvements | 86,96,524 | 11,87,47,421 | 8,46,410 | 1,26,59,756 | 5,94,146 | 1,14,52,587 | 1,08,425 | 1,19,38,309 | 11,46,59,227 | 81,02,378 |
| Computer and peripherals | 1,15,10,403 | 1,54,66,913 | 5,360 | 2,69,71,956 | 17,60,630 | 65,70,149 | 1,587 | 83,29,192 | 1,86,42,763 | 97,49,773 |
| Total | 31,52,08,320 | 79,08,02,570 | 51,81,928 | 1,10,08,28,962 | 2,05,73,319 | 11,50,48,208 | 3,45,649 | 13,52,75,878 | 96,55,53,084 | 29,46,35,001 |

6 Goodwill

| Particulars | Gross block | | | Depreciation | | | Net block | | | |
|---------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|--------------|-------------|------------------------|------------------------|------------------------|
| | As at 1 April 2020 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2021 | As at 1 April 2020 | For the year | Impairments | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2020 |
| Goodwill (Refer note 46)* | 89,11,56,672 | 1,37,47,174 | 1,00,00,000 | 89,49,03,846 | - | - | - | - | 89,49,03,846 | 89,11,56,672 |
| Total | 89,11,56,672 | 1,37,47,174 | 1,00,00,000 | 89,49,03,846 | - | - | - | - | 89,49,03,846 | 89,11,56,672 |



Entero Healthcare Solutions Private Limited
Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Particulars | Gross block | | | Depreciation | | | Net block | | |
|--------------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|--------------|-------------|------------------------|-----------------------|
| | As at 1 April 2019 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2020 | As at 1 April 2019 | For the year | Impairments | As at 31 March 2020 | As at 1 April 2019 |
| Goodwill (Refer note 46) | 29,43,26,056 | 60,08,30,616 | 40,00,000 | 89,11,56,672 | - | - | - | 89,11,56,672 | 29,43,26,056 |
| Total | 29,43,26,056 | 60,08,30,616 | 40,00,000 | 89,11,56,672 | - | - | - | 89,11,56,672 | 29,43,26,056 |

* Goodwill represents the excess of consideration transferred, over the fair value of identifiable net assets acquired. Goodwill measured at cost less accumulated impairments losses.

7 Other intangible assets

| Particulars | Gross block | | | Depreciation | | | Net block | | |
|-------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|------------------|----------------------------|------------------------|------------------------|
| | As at 1 April 2020 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2021 | As at 1 April 2020 | For the year | Deductions/ Adjustments | As at 31 March 2021 | As at 31 March 2020 |
| Computer Software | 63,27,360 | 1,96,48,600 | - | 2,59,75,960 | 5,62,003 | 18,72,884 | - | 24,34,887 | 57,65,366 |
| Total | 63,27,360 | 1,96,48,600 | - | 2,59,75,960 | 5,62,003 | 18,72,884 | - | 24,34,887 | 57,65,366 |

Particulars

| Particulars | Gross block | | | Depreciation | | | Net block | | |
|-------------------|-----------------------|---------------------------|----------------------------|------------------------|-----------------------|-----------------|----------------------------|------------------------|-----------------------|
| | As at 1 April 2019 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2020 | As at 1 April 2019 | For the year | Deductions/ Adjustments | As at 31 March 2020 | As at 1 April 2019 |
| Computer Software | - | 63,27,360 | - | 63,27,360 | - | 5,62,003 | - | 5,62,003 | 57,65,357 |
| Total | - | 63,27,360 | - | 63,27,360 | - | 5,62,003 | - | 5,62,003 | 57,65,357 |

7A Capital Work in progress

| Particulars | As at | | As at | |
|-------------------------------------|---------------|---------------|--------------------|------------|
| | 31 March 2021 | 31 March 2020 | 1 April 19 | 1 April 19 |
| Opening Balance | - | 8,15,77,836 | - | - |
| Add: Additions during the period | - | - | 8,79,33,277 | - |
| Less: Capitalized during the period | - | (8,15,77,836) | (63,55,441) | - |
| Closing Balance | - | - | 8,15,77,836 | - |

5A Intangible assets under development

| | | | | |
|-----------------------------------|--------------------|--------------------|------------------|----------|
| Opening Balance | 2,25,50,000 | 45,86,950 | - | - |
| Add : Additions during the year | 1,89,05,000 | 2,31,17,965 | 45,86,950 | - |
| Less: Capitalized during the year | 1,90,55,000 | 51,54,915 | - | - |
| Closing Balance | 2,24,00,000 | 2,25,50,000 | 45,86,950 | - |



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|--|------------------------|-------|------------------------|-----------------------|------------------------|--------------------|
| | No of units | Value | No of units | Value | No of units | Value |
| 13 Current Investment | | | | | | |
| Investments in Mutual Funds (Quoted) at FVTPL: | | | | | | |
| HDFC Overnight Fund Regular Plan Growth (No of units : Nil March 21 ;No of units : Nil March 20 ;No of units : 17,812.3880 April 19) | | | | | | 5,00,82,181 |
| Total | | | | | | 5,00,82,181 |
| | | | | | | |
| 14 Trade receivable | | | | | | |
| Unsecured | | | | | | |
| -Considered good | | | 2,44,67,41,843 | 2,32,48,06,507 | 1,05,46,45,814 | |
| -Considered doubtful | | | - | - | - | |
| Receivables which have significant increase in Credit Risk | | | - | - | - | |
| Credit impaired | | | (2,08,25,609) | (67,72,304) | (51,89,582) | |
| Less : Allowance for bad and doubtful debts | | | - | - | - | |
| Total | | | 2,42,59,16,234 | 2,31,80,34,203 | 1,04,94,56,232 | |
| | | | | | | |
| 15 Cash and cash equivalents | | | | | | |
| Balances with banks: | | | | | | |
| On current accounts | | | 30,58,85,898 | 40,77,85,664 | 15,67,63,935 | |
| Fixed deposits with maturity of less than 3 months | | | 21,000 | 13,000 | 50,00,00,005 | |
| Cheques/drafts on hand | | | 2,64,287 | 11,52,940 | - | |
| Cash on hand | | | 1,69,71,003 | 2,25,86,434 | 46,70,093 | |
| Total | | | 32,31,42,188 | 43,15,38,038 | 66,14,34,033 | |
| | | | | | | |
| 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 | | | 50,50,99,935 | 27,66,15,000 | 20,03,40,000 | |
| Total | | | 50,50,99,935 | 27,66,15,000 | 20,03,40,000 | |
| | | | | | | |
| 17 Current financial assets - Loans | | | | | | |
| <u>Unsecured, considered good</u> | | | | | | |
| Security Deposits | | | 53,83,285 | 79,19,787 | 64,30,753 | |
| Loans to related party (Refer Note 48) | | | 23,17,224 | - | - | |
| Loans to others | | | - | 66,78,088 | 1,16,51,003 | |
| Less : Impairment Allowance | | | - | (10,00,000) | (10,00,000) | |
| Total | | | 77,00,509 | 1,35,97,875 | 1,70,81,756 | |
| | | | | | | |
| 18 Other financial assets | | | | | | |
| Interest accrued on Inter Corporate Deposits (ICD) | | | 1,52,084 | 41,823 | 1,70,669 | |
| Interest accrued on Fixed Deposits (FD) | | | 61,19,389 | 58,59,361 | 24,58,213 | |
| Receivable from related parties (Refer Note 48) | | | 51,97,734 | 51,62,035 | 51,62,035 | |
| Total | | | 1,14,69,207 | 1,10,63,219 | 77,90,917 | |
| | | | | | | |
| 19 Other current assets | | | | | | |
| Advance to suppliers | | | 7,23,10,353 | 11,04,49,999 | 2,53,71,495 | |
| Less : Provision for doubtful advances | | | (90,526) | (90,526) | - | |
| Balance with government authorities | | | 23,03,27,653 | 13,69,96,229 | 6,80,25,141 | |
| Advance to staff | | | 87,00,399 | 29,04,267 | 1,36,497 | |
| Claim receivables | | | 4,50,22,078 | 2,64,28,378 | 18,88,939 | |
| Other current assets | | | 23,75,54,885 | 19,94,53,622 | 6,51,88,131 | |
| Prepaid Expenses | | | 4,97,23,247 | 1,84,57,810 | 13,79,439 | |
| Receivable from Related Parties (Refer note 48) | | | 9,926 | 2,65,10,784 | 18,23,141 | |
| Total | | | 64,35,58,016 | 52,11,10,563 | 16,38,12,783 | |



8 Loans

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---|------------------------|------------------------|------------------------|
| <u>Unsecured, considered good</u> | | | |
| Security Deposits | 5,88,48,054 | 4,94,33,763 | 2,70,23,639 |
| Loans and advances to related parties (Refer note 29) | - | 35,699 | 35,699 |
| Total | 5,88,48,054 | 4,94,69,462 | 2,70,59,338 |

9 Deferred tax assets/(liabilities) (net)

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--|------------------------|------------------------|------------------------|
| Deferred tax asset on account of: | | | |
| Expenses provided but allowable in Income Tax on payment basis | 32,19,649 | 27,04,071 | 14,43,304 |
| On Ind AS Adjustment | 1,99,52,710 | 11,91,177 | 16,17,667 |
| Gratuity & Leave Encashment | 66,11,682 | 41,21,665 | 24,28,731 |
| Expected Credit Loss on Loans and advances | 48,65,035 | 16,47,549 | 13,12,765 |
| Unabsorbed depreciation | 5,32,55,432 | 2,64,04,337 | 67,74,195 |
| Unabsorbed loss | 5,04,57,358 | 3,99,12,212 | 2,67,090 |
| Timing difference between tax depreciation and depreciation charged in the books | 9,15,183 | 11,16,795 | 35,25,374 |
| Deferred tax liability on account of: | | | |
| Timing difference between tax depreciation and depreciation charged in the books | (5,03,89,516) | (3,11,13,262) | (34,67,567) |
| On Ind AS Adjustment | (59,501) | 19,43,368 | (62,82,367) |
| MAT | - | 11,16,542 | 7,19,377 |
| Net deferred tax assets | 8,88,28,032 | 4,90,44,454 | 83,38,569 |
| Deferred tax liabilities (net) | 1,62,24,316 | 1,72,71,057 | 51,04,319 |
| Deferred tax assets (net) | 32,86,058 | 24,55,133 | 14,73,661 |
| Deferred tax assets (net) not recognised | 10,17,66,291 | 6,38,60,377 | 1,19,69,226 |

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

| Particulars | As at 01 April 2019 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | As at 31 March 2020 | (Charged)/ Credited to P & L | (Charged)/ Credited to OCI | As at 31 March 2021 |
|--|------------------------|---------------------------------|----------------------------------|------------------------|---------------------------------|-------------------------------|------------------------|
| Timing difference between tax depreciation and depreciation charged in the books | 57,807 | (3,00,54,275) | - | (2,99,96,467.9) | (1,94,77,865) | - | (4,94,74,333) |
| Expenses provided but allowable in Income Tax on payment basis | 14,43,304 | 12,60,767 | - | 27,04,071.0 | 5,15,578 | - | 32,19,649 |
| On Ind AS Adjustment | (46,64,700) | 77,99,245 | - | 31,34,545.5 | 1,67,58,664 | - | 1,98,93,209 |
| Unabsorbed depreciation | 67,74,195 | 1,96,30,142 | - | 2,64,04,337.0 | 2,68,51,095 | - | 5,32,55,432 |
| Unabsorbed loss | 2,67,090 | 3,96,45,122 | - | 3,99,12,212.0 | 1,05,45,146 | - | 5,04,57,358 |
| Gratuity & Leave Encashment | 24,28,731 | 16,92,934 | (7,42,282) | 41,21,665.0 | 19,62,508 | 5,27,509 | 66,11,682 |
| Expected Credit Loss Provision | 13,12,765 | 3,34,784 | - | 16,47,549.0 | 32,17,486 | - | 48,65,035 |
| Mat Credit | 7,19,377 | - | - | 11,16,541.8 | - | - | - |
| Net Net deferred tax assets/(liability) | 83,38,569 | 4,03,08,719 | (7,42,282) | 4,90,44,453 | 4,03,72,612 | 5,27,509 | 8,88,28,032 |

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.

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

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--------------------------|------------------------|------------------------|------------------------|
| Advance income tax (Net) | 3,32,87,001 | 3,34,21,647 | 1,02,34,314 |
| Total | 3,32,87,001 | 3,34,21,647 | 1,02,34,314 |
| Provision for tax | 73,98,081 | 24,34,436 | - |
| Tax (Liabilities) | 73,98,081 | 24,34,436 | - |

11 Other non-current assets

| | | | |
|---|----------|------------------|--------------------|
| Capital advance | - | 44,01,560 | 1,37,67,746 |
| Total other non-current other assets | - | 44,01,560 | 1,37,67,746 |

12 Inventories

| At lower of cost and net realizable value | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---|------------------------|------------------------|------------------------|
| Stock in trade [Include Goods-in transit of INR 5,32,01,754 (previous year INR 3,56,986)* | 2,43,92,59,346 | 1,94,54,68,090 | 79,42,94,691 |
| Total | 2,43,92,59,346 | 1,94,54,68,090 | 79,42,94,691 |

*(include one time inventory write down provision of INR 30,14,82,245)



20 Equity Share capital

| Particulars | As at | As at | As at |
|---|------------------|------------------|------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| a. Authorised Share Capital | | | |
| 250,000 (31 march 2020: 250,000 and 01 April 2019:250,000) Equity Shares of INR 10 each | 25,00,000 | 25,00,000 | 25,00,000 |
| Total | 25,00,000 | 25,00,000 | 25,00,000 |
| b. Issued, Subscribed and Paid-up: | | | |
| 100,200 (31 march 2020: 100,200 and 01 April 2019:100,200) Equity Shares of INR 10 each | 10,02,000 | 10,02,000 | 10,02,000 |
| Total | 10,02,000 | 10,02,000 | 10,02,000 |

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

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|--|------------------------|------------------|------------------------|------------------|------------------------|------------------|
| | No of shares | Amount | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 1,00,200 | 10,02,000 | 1,00,200 | 10,02,000 | - | - |
| Add: Issued during the year | - | - | - | - | 1,00,200 | 10,02,000 |
| Outstanding at the end of the year | 1,00,200 | 10,02,000 | 1,00,200 | 10,02,000 | 1,00,200 | 10,02,000 |

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 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|-------------------------|---------------------|------|------------------------|-------|------------------------|-------|
| | No of shares | % | No of shares | % | No of shares | % |
| Mr. Prabhat Agrawal | 60000 | 59.9 | 60,000 | 59.90 | 60,000 | 59.90 |
| Mr. Prem Sethi | 40000 | 39.9 | 40,000 | 39.90 | 40,000 | 39.90 |

f.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.

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

21 Instruments entirely equity in nature

Preference share capital

| Particulars | As at | As at | As at |
|---|-----------------------|-----------------------|-----------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| a. Authorised Share Capital | | | |
| 0.0001% Compulsory Convertible Preference shares (CCPS) | | | |
| Series A1 CCPS (March 21 : 39,54,99,900 ; March 20 : 39,54,99,900 ; April 19 : 24,14,99,900) of INR 10 each | 3,95,49,99,000 | 3,95,49,99,000 | 2,41,49,99,000 |
| Series A2 CCPS (March 21 : 16,94,99,900 ; March 20 : 16,94,99,900 ; April 19 : 10,34,99,900) of INR 10 each | 1,69,49,99,000 | 1,69,49,99,000 | 1,03,49,99,000 |
| Series A3 CCPS (March 21 : 29,00,000 ; March 20 : 29,00,000 ; April 19 : 29,00,000) of INR 10 each | 2,90,00,000 | 2,90,00,000 | 2,90,00,000 |
| Series A4 CCPS (March 21 : 3,18,50,200 ; March 20 : 3,18,50,200 ; April 19 : 1,68,50,200) of INR 10 each | 31,85,02,000 | 31,85,02,000 | 16,85,02,000 |
| Total | 5,99,75,00,000 | 5,99,75,00,000 | 3,64,75,00,000 |
| b. Issued, Subscribed and Paid-up: | | | |
| Series A1 CCPS (March 21 : 36,89,99,900 ; March 20 : 29,39,99,900 ; April 19 : 17,49,99,900) of INR 10 each | 3,68,99,99,000 | 2,93,99,99,000 | 1,74,99,99,000 |
| Series A2 CCPS (March 21 : 12,59,99,900 ; March 20 : 12,59,99,900 ; April 19 : 7,49,99,900) of INR 10 each | 1,25,99,99,000 | 1,25,99,99,000 | 74,99,99,000 |
| Series A3 CCPS (March 21 : 29,00,000 ; March 20 : 29,00,000 ; April 19 : 29,00,000) of INR 10 each | 2,90,00,000 | 2,90,00,000 | 2,90,00,000 |
| Series A4 CCPS (March 21 : 1,92,12,500 ; March 20 : 1,58,12,500 ; April 19 : 65,12,500) of INR 10 each | 19,21,25,000 | 15,81,25,000 | 6,51,25,000 |
| Total | 5,17,11,23,000 | 4,38,71,23,000 | 2,59,41,23,000 |



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

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|--|------------------------|----------------|------------------------|----------------|------------------------|----------------|
| | No of shares | Amount | No of shares | Amount | No of shares | Amount |
| Outstanding at the beginning of the year | 43,87,12,300 | 4,38,71,23,000 | 25,94,12,300 | 2,59,41,23,000 | - | - |
| Add: Issued during the year | 7,84,00,000 | 78,40,00,000 | 17,93,00,000 | 1,79,30,00,000 | 25,94,12,300 | 2,59,41,23,000 |
| Outstanding at the end of the year | 51,71,12,300 | 5,17,11,23,000 | 43,87,12,300 | 4,38,71,23,000 | 25,94,12,300 | 2,59,41,23,000 |

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 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 2021 | | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|------|---------------------|------|---------------------|------|
| | No of shares | % | No of shares | % | No of shares | % |
| Series A1 CCPS are issued to Orbimed Asia III Mauritius Limited | 36,89,99,900 | 100% | 29,39,99,900 | 100% | 17,49,99,900 | 100% |
| Series A2 CCPS are issued to I M Investments Trust | 12,59,99,900 | 100% | 12,59,99,900 | 100% | 7,49,99,900 | 100% |
| Series A3 CCPS are issued to Mr. Prabhat Agrawal | 17,40,000 | 60% | 17,40,000 | 60% | 17,40,000 | 60% |
| Series A3 CCPS are issued to Mr. Prem Sethi | 11,60,000 | 40% | 11,60,000 | 40% | 11,60,000 | 40% |
| Series A4 CCPS are issued to Novacare Drug Specialities Private Limited | 48,00,000 | 25% | 48,00,000 | 30% | 48,00,000 | 74% |
| Series A4 CCPS are issued to K E Prakash | 45,00,000 | 23% | 45,00,000 | 28% | - | - |
| Series A4 CCPS are issued to Mr. Petros Diamantides | 17,12,500 | 9% | 17,12,500 | 11% | 17,12,500 | 26% |
| Series A4 CCPS are issued to R Prashanth | 15,00,000 | 8% | 15,00,000 | 9% | - | - |
| Series A4 CCPS are issued to Manoj K Sanghani | 13,75,000 | 7% | 10,00,000 | 6% | - | - |
| Series A4 CCPS are issued to Vikram Aditya Ambre | 13,75,000 | 7% | 10,00,000 | 6% | - | - |
| Series A4 CCPS are issued to Hemant Barros | 10,00,000 | 5% | - | - | - | - |
| Series A4 CCPS are issued to Millennium Medicare Private Limited | 10,00,000 | 5% | - | - | - | - |

22 Other equity

i) Retained Earnings

Particulars

| | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---|------------------------|------------------------|------------------------|
| Opening balance | (16,12,92,283) | (17,42,99,423) | - |
| Add: Net Profit/(loss) for the year | (15,53,70,631) | 94,36,933 | (17,42,99,423) |
| Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax) | 17,99,545 | (35,70,206) | - |
| Closing balance | (31,84,62,458) | (16,12,92,283) | (17,42,99,423) |

23 Non Controlling Interest

A Particulars

| | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--|------------------------|------------------------|------------------------|
| Opening balance | 1,51,61,961 | 1,17,95,489 | - |
| Add: Net Profit for the year | 18,34,872 | 34,22,884 | 1,17,95,489 |
| Less: Re-measurement loss on post employment benefit obligation (net of tax) | 47,429 | 56,412 | - |
| Closing balance | 1,69,49,404 | 1,51,61,961 | 1,17,95,489 |

B Proportion of equity interest held by non controlling interest:

| Name of subsidiary | 15% | 15% | 15% |
|--|-----|-----|-----|
| Getwell Medicare Solutions Private Limited | | | |



Entero Healthcare Solutions Private Limited
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

24 Lease Liability

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|-----------------|--------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|
| | Long term | Short term | Long term | Short term | Long term | Short term |
| | At amortised cost | | | | | |
| Lease Liability | 53,23,14,946 | 7,99,04,933 | 52,13,35,760 | 5,44,25,767 | 20,62,45,055 | 2,21,12,896 |
| Total | 53,23,14,946 | 7,99,04,933 | 52,13,35,760 | 5,44,25,767 | 20,62,45,055 | 2,21,12,896 |

25 Provisions

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|---|---|---------------------|------------------------|---------------------|------------------------|--------------------|
| | Long term | Short term | Long term | Short term | Long term | Short term |
| | a) Provision for employee benefits (Refer note 47) | | | | | |
| Provision for gratuity (unfunded) | 2,74,51,597 | 68,55,215 | 2,02,46,789 | 53,99,038 | 1,13,46,502 | 59,32,750 |
| Provision for leave encashment (unfunded) | - | 68,94,872 | - | 25,90,590 | - | 16,70,397 |
| b) Other provisions | | | | | | |
| Provision for sales return | - | 18,10,93,291 | - | 12,02,37,202 | - | 1,76,28,843 |
| Total Provisions | 2,74,51,597 | 19,48,43,378 | 2,02,46,789 | 12,82,26,830 | 1,13,46,502 | 2,52,31,990 |

26 Borrowings

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|---|---------------------|-----------------------|---------------------|-----------------------|---------------------|---------------------|
| | Long term | Short term | Long term | Short term | Long term | Short term |
| | Vehicle Loan** | - | - | 1,99,506 | - | 2,88,195 |
| Working capital loan from Banks(Secured): | - | - | - | - | - | - |
| Cash credit* | - | 1,40,85,34,812 | - | 1,05,62,20,390 | - | 53,09,90,692 |
| Other Loans & Advances(Unsecured) | - | - | - | - | - | - |
| Loans and advances from Others (Rate of interest: 0 to 12%) | - | 85,00,000 | - | 82,65,000 | - | 12,01,000 |
| Total Borrowings | - | 1,41,70,34,812 | 1,99,506 | 1,06,44,85,390 | 2,88,195 | 53,24,53,479 |

*

i) Outstanding cash credit facility of INR 140,85,34,812 (Previous year INR 105,62,20,390 : 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 199,00,00,000; Rate of interest : Bank 1 year MCLR + 25 - 190 basis points; Effective interest rate for the period : 9.15 to 10.20 % p.a.)

| Details of Guarantees given by holding Company: | Name of Subsidiary | As at | |
|---|---|---------------|---------------|
| | | 31 March 2021 | 31 March 2020 |
| Corporate Guarantees Given | Novacare Healthcare Solutions Private Limited | 50,00,00,000 | 50,00,00,000 |
| | Getwell Medicare Solution Private Limited | 15,00,00,000 | 10,00,00,000 |
| | Avenues Pharma Distributors Private Limited | 30,00,00,000 | 25,00,00,000 |
| | Chethana Healthcare Solutions Private Limited | 5,00,00,000 | 5,00,00,000 |
| | Chirag Medicare Solutions Private Limited | 15,00,00,000 | 20,00,00,000 |
| | R S M Pharma Private Limited | 15,00,00,000 | 15,00,00,000 |
| | G.S.Pharmaceutical Distributors Private Limited | 8,00,00,000 | 8,00,00,000 |
| | Chhabra Healthcare Solutions Private Limited | 5,00,00,000 | 5,00,00,000 |
| | Sundarlal Pharma Distributors Private Limited | 7,00,00,000 | - |
| | Galaxystar Pharma Distributors Private Limited | 10,00,00,000 | - |
| | Jaggi Enterprises Private Limited | 10,00,00,000 | - |
| | Chethana Pharma Private Limited | 15,00,00,000 | - |
| | Millennium Medisolutions Private Limited | 10,00,00,000 | - |

**

V) Vehicle loan of INR Nil (Previous year INR 1,99,506) : Installment payable on monthly basis at interest rate of 9.65% to 10.00%



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

27 Trade payables

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--|------------------------|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 1,07,00,197 | 54,42,436 | 10,17,796 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 97,41,15,630 | 1,06,77,19,000 | 38,15,33,021 |
| Total trade payables | 98,48,15,827 | 1,07,31,61,436 | 38,25,50,817 |

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

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---|------------------------|------------------------|------------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | | | |
| Principal | 1,07,00,197 | 54,42,436 | 10,17,796 |
| Total | 1,07,00,197 | 54,42,436 | 10,17,796 |
| (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. | - | - | - |

28 Other financial liabilities

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|--|------------------------|------------------------|------------------------|
| Employee liabilities | 7,41,37,763 | 5,99,43,072 | 2,34,81,539 |
| Current maturities of long term debt | 1,99,508 | 4,54,191 | - |
| Purchase Consideration payable | - | 10,77,50,000 | 83,16,471 |
| Other Financial Liabilities | 3,19,21,249 | 1,41,84,569 | 22,17,081 |
| Interest accrued and due on borrowings | 18,97,460 | 21,08,321 | - |
| Total other financial liabilities | 10,81,55,980 | 18,44,40,153 | 3,40,15,091 |

29 Other current liabilities

| | | | |
|--|---------------------|---------------------|--------------------|
| Statutory dues payable | 3,43,35,164 | 3,95,84,698 | 1,00,24,672 |
| Other current liabilities | 76,199 | 70,70,899 | 13,69,908 |
| Book overdraft (Bank) | - | - | 4,62,566 |
| Other Payables | 4,26,11,209 | 10,31,70,784 | 68,37,160 |
| Advance from Customers | 4,39,04,419 | 3,41,51,727 | 12,89,779 |
| Total other current liabilities | 12,09,26,991 | 18,39,78,108 | 1,99,84,085 |



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

30 Revenue from operations

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Sale of Traded goods | 17,73,10,36,316 | 13,49,62,29,327 |
| Total revenue from operations | 17,73,10,36,316 | 13,49,62,29,327 |

Analysis of revenues by segments:

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Trading of pharmaceutical and surgical products. | 17,73,10,36,316 | 13,49,62,29,327 |

Revenue based on Geography

| | | |
|--------------|------------------------|------------------------|
| Domestic | 17,70,39,74,194 | 13,49,62,29,327 |
| Export | 2,70,62,122 | - |
| Total | 17,73,10,36,316 | 13,49,62,29,327 |

Revenue based on timing of recognition

| | | |
|---|------------------------|------------------------|
| Revenue recognition at a point in time | 17,73,10,36,316 | 13,49,62,29,327 |
| Revenue recognition over period of time | - | - |
| Total | 17,73,10,36,316 | 13,49,62,29,327 |

Details of sales return:

| | | |
|--|---------------------|---------------------|
| Balance at the beginning of the year | 12,02,37,202 | 1,76,28,843 |
| Provision made during the year, net of reversals | 18,10,93,291 | 12,02,37,202 |
| Provision used during the year | (12,02,37,202) | (1,76,28,843) |
| Balance at the end of the year | 18,10,93,291 | 12,02,37,202 |

Current

Non current

| | |
|--------------|--------------|
| 18,10,93,291 | 12,02,37,202 |
| - | - |

Details of contract liabilities :

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|------------------------|------------------------|------------------------|
| Advance from customers | 4,39,04,419 | 3,41,51,727 |

Movement in Contract liabilities

| | | |
|---|--------------------|--------------------|
| Opening Balance | 3,41,51,727 | 12,89,779 |
| Revenue recognised that was included in contract liability balance at the beginning of the period | (3,41,51,727) | (12,89,779) |
| Increases due to cash received, excluding amounts recognised as revenue during the period | 4,39,04,419 | 3,41,51,727 |
| Closing Balance | 4,39,04,419 | 3,41,51,727 |

31 Other income

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Interest income | | |
| - on fixed deposits designated as amortized cost | 2,22,42,146 | 1,43,86,504 |
| - on intercorporate deposit | 1,64,414 | 1,68,450 |
| - Other interest income | 40,34,272 | 1,25,16,553 |
| - Interest on unwinding of security deposits | 29,93,856 | 18,48,253 |
| Net gain on sale of investments through profit and loss | - | 1,04,49,059 |
| Net gain or loss on foreign currency transaction and translation | 38,32,299 | 19,44,166 |
| Commission Income on sales | 11,34,973 | 16,45,396 |
| Marketing support | 4,97,21,032 | - |
| Miscellaneous income | 2,15,18,521 | 36,56,957 |
| Total other income | 10,56,41,513 | 4,66,15,338 |

32 Purchase of Stock-in-trade

| | | |
|-----------------------------|------------------------|------------------------|
| Purchases of Stock-in-trade | 16,86,56,78,671 | 12,77,53,79,798 |
| Total | 16,86,56,78,671 | 12,77,53,79,798 |

33 Changes in inventories of stock-in-trade

| | | |
|--|-----------------------|-----------------------|
| Inventories at the beginning of the year | | |
| -Stock in trade | 1,95,49,71,883 | 79,42,94,691 |
| | 1,95,49,71,883 | 79,42,94,691 |
| Inventories as at the date of acquisition of subsidiary / business : | - | 76,50,86,216 |
| Less: Inventories at the end of the year | | |
| -Stock in trade | 2,43,92,59,346 | 1,94,54,68,089 |
| | 2,43,92,59,346 | 1,94,54,68,089 |
| Net decrease/ (increase) | (48,42,87,462) | (38,60,87,182) |



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

34 Employee benefits expense

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Salaries, wages, bonus and other allowances | 67,93,66,392 | 50,51,81,227 |
| Contribution to Provident Fund and other funds | 3,71,98,195 | 3,06,57,229 |
| Gratuity and leave encashment(Refer note 47) | 82,47,959 | 1,13,50,589 |
| Leave Obligation | 48,37,417 | 18,07,195 |
| Staff welfare expenses | 1,97,75,775 | 1,22,70,874 |
| Total employee benefits expense | 74,94,25,738 | 56,12,67,114 |

35 Finance costs

| | | |
|------------------------------|---------------------|---------------------|
| Interest Expenses | | |
| On bank loan | 10,40,43,636 | 7,03,38,718 |
| On Loan from Others | 9,60,000 | 2,33,443 |
| On delay in payment of taxes | 1,85,231 | 5,05,516 |
| On Lease Liabilities | 5,86,05,307 | 4,55,07,848 |
| Others | 1,98,99,685 | 86,76,080 |
| Bank charges | 1,66,81,236 | 24,56,161 |
| Total finance costs | 20,03,75,095 | 12,77,17,766 |

36 Depreciation and amortization expense

| | | |
|--|---------------------|---------------------|
| Depreciation (Refer note 5) | 16,08,94,364 | 11,44,29,245 |
| Amortization (Refer note 7) | 18,72,884 | 5,62,003 |
| Total depreciation and amortization expense | 16,27,67,248 | 11,49,91,248 |

37 Other expenses

| | | |
|---|---------------------|---------------------|
| Rent | 1,95,98,563 | 3,06,79,604 |
| Rates and taxes | 28,28,539 | 62,68,095 |
| Legal and professional charges | 6,84,52,994 | 3,68,26,132 |
| Travelling expenses | 3,20,74,711 | 3,78,49,540 |
| Brokerage | 1,13,51,821 | 9,79,314 |
| Provision for loans and advances given | - | 90,526 |
| Power and fuel | 3,38,90,800 | 2,16,60,842 |
| Repairs and maintenance | 1,67,78,848 | 1,03,27,026 |
| Distribution Cost | 11,44,75,552 | 7,53,12,037 |
| Outsource Servicing Expenses | 1,23,05,820 | 68,56,013 |
| Printing and stationery | 1,68,33,295 | 1,17,49,061 |
| Commission Expenses | 1,42,23,650 | 1,36,50,448 |
| Communication expenses | 87,50,823 | 81,32,189 |
| Business promotion expenses | 1,77,25,112 | 35,88,680 |
| Provision for impairment loss | 1,40,53,305 | 15,82,722 |
| IT Expenses | 61,33,799 | 37,12,097 |
| Subscription Expenses | 12,58,135 | 8,94,732 |
| Office Expenses | 10,06,835 | 9,79,330 |
| Auditor's remuneration (Refer note below) | 64,35,000 | 41,20,000 |
| Security expenses | 7,33,974 | 7,10,430 |
| Housekeeping Expenses | 12,92,908 | 9,78,375 |
| Sign on Amount | 60,00,000 | - |
| Office Aircon Charges | 4,51,639 | 2,34,987 |
| Insurance | 77,65,646 | 29,99,351 |
| Miscellaneous expenses | 3,66,70,848 | 3,07,22,825 |
| Total other expenses | 45,10,92,617 | 31,09,04,356 |

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

| | | |
|--------------------|------------------|------------------|
| As auditor: | | |
| Statutory audit | 36,20,000 | 22,00,000 |
| Total | 36,20,000 | 22,00,000 |



Entero Healthcare Solutions Private Limited
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

38 Income Tax

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Current tax | | |
| Current tax on profits for the period | 4,55,82,460 | 1,44,90,356 |
| Adjustments for current tax of prior periods | 12,55,562 | - |
| Deferred tax | | |
| Deferred tax expense (income) | (16,76,340) | 1,13,21,392 |
| Total tax expense | 4,51,61,681 | 2,58,11,748 |
| Reconciliation of effective tax rate: | | |
| Profit/(Loss) before income tax expense | (10,83,74,077) | 3,86,71,565 |
| Enacted income tax rate in India applicable to the Company 26.00% (31 march2020– 26.00%) | (2,81,77,260) | 1,00,54,607 |
| Tax effect of: | | |
| Deferred tax assets not created on losses | 3,79,05,914 | 2,89,05,683 |
| Deferred tax assets in intercompany elimination in consolidation | 1,11,32,001 | 13,69,017 |
| Others | 2,30,45,465 | (1,45,17,559) |
| Tax in respect of earlier period | 12,55,562 | - |
| Total tax expenses as per statement of Profit and Loss Account* | 4,51,61,682 | 2,58,11,748 |
| *Note: For major components of DTA/DTL, please refer note number 9 | | |

39 Earnings per share

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Profit attributable to the equity holders of the Company (A) (INR) | (15,53,70,631) | 94,36,933 |
| Weighted Average number of shares issued for Basic EPS (B) | 51,07,63,596 | 39,39,08,402 |
| Adjustment for calculation of Diluted EPS (c) | - | - |
| Weighted Average number of shares issued for Diluted EPS (D= B+C) | 51,07,63,596 | 39,39,08,402 |
| Basic EPS in INR | (0.30) | 0.02 |
| Diluted EPS in INR | (0.30) | 0.02 |



Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021

(Amount in INR, unless otherwise stated)

40 Contingent liabilities & commitments

| Particulars | As at | As at | As at |
|---|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Estimated Amount of contracts remaining to be executed on capital account | 30,00,000 | 16,71,854 | 3,23,55,524 |
| Bank guarantees | 1,15,500 | 1,15,500 | - |

41 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".

42 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 2021, 31 march 2020 and as at 01 April 2019. 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 | As at | As at |
|--|---------------------|---------------------|-----------------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2020 |
| Borrowings | | | |
| Long term and Short term borrowings | 1,41,70,34,812 | 1,06,46,84,896 | 53,27,41,674 |
| Current maturities of Long term borrowings | | | |
| Less: cash and cash equivalents | (32,31,42,188) | (43,15,38,038) | (66,14,34,033) |
| Less: Bank balances other than cash and cash equivalents | (50,50,99,935) | (27,66,15,000) | (20,03,40,000) |
| Adjusted net debt | 58,87,92,689 | 35,65,31,858 | (32,90,32,359) |
| Total Equity | 4,85,36,62,542 | 4,22,68,32,717 | 2,42,08,25,577 |
| Adjusted net debt to adjusted equity ratio | 0.12 | 0.08 | (0.14) |



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 | Total |
| Financial assets and liabilities as at 31 March , 2021 | | | | | | | | |
| Non-current financial assets | | | | | | | | |
| Loans | - | - | 5,88,48,054 | 5,88,48,054 | - | - | 5,88,48,054 | 5,88,48,054 |
| Current financial assets | | | | | | | | |
| Trade receivables | - | - | 2,42,59,16,234 | 2,42,59,16,234 | - | - | 2,42,59,16,234 | 2,42,59,16,234 |
| Cash and cash equivalents | - | - | 32,31,42,188 | 32,31,42,188 | - | - | 32,31,42,188 | 32,31,42,188 |
| Bank balances other than cash and cash equivalent | - | - | 50,50,99,935 | 50,50,99,935 | - | - | 50,50,99,935 | 50,50,99,935 |
| Loans | - | - | 77,00,509 | 77,00,509 | - | - | 77,00,509 | 77,00,509 |
| Other financial assets | - | - | 1,14,69,207 | 1,14,69,207 | - | - | 1,14,69,207 | 1,14,69,207 |
| Total | - | - | 3,33,21,76,127 | 3,33,21,76,127 | - | - | 3,33,21,76,127 | 3,33,21,76,127 |
| Non-current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 53,23,14,946 | 53,23,14,946 | - | - | 53,23,14,946 | 53,23,14,946 |
| Borrowings | - | - | - | - | - | - | - | - |
| Current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 7,99,04,933 | 7,99,04,933 | - | - | 7,99,04,933 | 7,99,04,933 |
| Trade payables | - | - | 98,48,15,827 | 98,48,15,827 | - | - | 98,48,15,827 | 98,48,15,827 |
| Borrowings | - | - | 1,41,70,34,812 | 1,41,70,34,812 | - | - | 1,41,70,34,812 | 1,41,70,34,812 |
| Other financial liabilities | - | - | 10,81,55,980 | 10,81,55,980 | - | - | 10,81,55,980 | 10,81,55,980 |
| Total | - | - | 3,12,22,26,498 | 3,12,22,26,498 | - | - | 3,12,22,26,498 | 3,12,22,26,498 |

| Particulars | Carrying Amount | | | | Fair Value | | | |
|---|-----------------|----------|-----------------------|-----------------------|------------|----------|-----------------------|-----------------------|
| | FVTPL | FVTOCI | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets and liabilities as at 31 March , 2020 | | | | | | | | |
| Non-current financial assets | | | | | | | | |
| Other financial assets | - | - | 4,94,69,462 | 4,94,69,462 | - | - | 4,94,69,462 | 4,94,69,462 |
| Current financial assets | | | | | | | | |
| Investment | - | - | - | - | - | - | - | - |
| Trade receivables | - | - | 2,31,80,34,203 | 2,31,80,34,203 | - | - | 2,31,80,34,203 | 2,31,80,34,203 |
| Cash and cash equivalents | - | - | 43,15,38,038 | 43,15,38,038 | - | - | 43,15,38,038 | 43,15,38,038 |
| Bank balances other than cash and cash equivalent | - | - | 27,66,15,000 | 27,66,15,000 | - | - | 27,66,15,000 | 27,66,15,000 |
| Loans | - | - | 1,35,97,875 | 1,35,97,875 | - | - | 1,35,97,875 | 1,35,97,875 |
| Other financial assets | - | - | 1,10,63,219 | 1,10,63,219 | - | - | 1,10,63,219 | 1,10,63,219 |
| Total | - | - | 3,10,03,17,797 | 3,10,03,17,797 | - | - | 3,10,03,17,797 | 3,10,03,17,797 |
| Non-current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 52,13,35,760 | 52,13,35,760 | - | - | 52,13,35,760 | 52,13,35,760 |
| Borrowings | - | - | 1,99,506 | 1,99,506 | - | - | 1,99,506 | 1,99,506 |
| Current financial liabilities | | | | | | | | |
| Trade payables | - | - | 1,07,31,61,436 | 1,07,31,61,436 | - | - | 1,07,31,61,436 | 1,07,31,61,436 |
| Lease Liabilities | - | - | 5,44,25,767 | 5,44,25,767 | - | - | 5,44,25,767 | 5,44,25,767 |
| Borrowings | - | - | 1,06,44,85,390 | 1,06,44,85,390 | - | - | 1,06,44,85,390 | 1,06,44,85,390 |
| Other financial liabilities | - | - | 18,44,40,153 | 18,44,40,153 | - | - | 18,44,40,153 | 18,44,40,153 |
| Total | - | - | 2,89,80,48,013 | 2,89,80,48,013 | - | - | 2,89,80,48,013 | 2,89,80,48,013 |



| Particulars | Carrying Amount | | | | Fair Value | | | |
|---|-----------------|----------|-----------------------|-----------------------|--------------------|----------|-----------------------|-----------------------|
| | FVTPL | FVTOCI | Amortized Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets and liabilities as at 01 April , 2019 | | | | | | | | |
| Non-current financial assets | | | | | | | | |
| Loans | - | - | 2,70,59,338 | 2,70,59,338 | - | - | 2,70,59,338 | 2,70,59,338 |
| Current financial assets | | | | | | | | |
| Investment | - | - | 5,00,82,181 | 5,00,82,181 | 5,00,82,181 | - | - | 5,00,82,181 |
| Trade receivables | - | - | 1,04,94,56,232 | 1,04,94,56,232 | - | - | 1,04,94,56,232 | 1,04,94,56,232 |
| Cash and cash equivalents | - | - | 66,14,34,033 | 66,14,34,033 | - | - | 66,14,34,033 | 66,14,34,033 |
| Bank balances other than cash and cash equivalent | - | - | 20,03,40,000 | 20,03,40,000 | - | - | 20,03,40,000 | 20,03,40,000 |
| Loans | - | - | 1,70,81,756 | 1,70,81,756 | - | - | 1,70,81,756 | 1,70,81,756 |
| Other financial assets | - | - | 77,90,917 | 77,90,917 | - | - | 77,90,917 | 77,90,917 |
| Total | - | - | 2,01,32,44,457 | 2,01,32,44,457 | 5,00,82,181 | - | 1,96,31,62,276 | 2,01,32,44,457 |
| Non-current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 20,62,45,055 | 20,62,45,055 | - | - | 20,62,45,055 | 20,62,45,055 |
| Borrowings | - | - | 2,88,195 | 2,88,195 | - | - | 2,88,195 | 2,88,195 |
| Current financial liabilities | | | | | | | | |
| Lease Liabilities | - | - | 2,21,12,896 | 2,21,12,896 | - | - | 2,21,12,896 | 2,21,12,896 |
| Trade payables | - | - | 38,25,50,817 | 38,25,50,817 | - | - | 38,25,50,817 | 38,25,50,817 |
| Borrowings | - | - | 53,24,53,479 | 53,24,53,479 | - | - | 53,24,53,479 | 53,24,53,479 |
| Other financial liabilities | - | - | 3,40,15,091 | 3,40,15,091 | - | - | 3,40,15,091 | 3,40,15,091 |
| Total | - | - | 1,17,76,65,533 | 1,17,76,65,533 | - | - | 1,17,76,65,533 | 1,17,76,65,533 |

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.



44 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.

In compliance with the requirement 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.

(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 2021 | | 1 year or less | 1-3 years | More than 3 years | Total |
|--|--|-----------------------|---------------------|----------------------|-----------------------|
| Lease Liabilities | | 13,48,53,307 | 27,97,22,188 | 41,19,71,139 | 82,65,46,635 |
| Borrowings | | 1,41,70,34,812 | - | - | 1,41,70,34,812 |
| Trade Payables | | 98,48,15,827 | - | - | 98,48,15,827 |
| Other financial liabilities | | 10,81,55,980 | - | - | 10,81,55,980 |
| Total | | 2,64,48,59,926 | 27,97,22,188 | 41,19,71,139 | 3,33,65,53,253 |

| Contractual maturities of financial liabilities 31 march 2020 | | 1 year or less | 1-3 years | More than 3 years | Total |
|--|--|-----------------------|---------------------|----------------------|-----------------------|
| Lease Liabilities | | 10,80,60,087 | 23,11,64,161 | 48,42,57,584 | 82,34,81,832 |
| Borrowings | | 1,06,46,84,896 | - | - | 1,06,46,84,896 |
| Trade Payables | | 1,07,31,61,436 | - | - | 1,07,31,61,436 |
| Other financial liabilities | | 18,44,40,153 | - | - | 18,44,40,153 |
| Total | | 2,43,03,46,572 | 23,11,64,161 | 48,42,57,584 | 3,14,57,68,317 |

| Contractual maturities of financial liabilities 01 April 2019 | | 1 year or less | 1-3 years | More than 3 years | Total |
|--|--|-----------------------|---------------------|----------------------|-----------------------|
| Lease Liabilities | | 5,59,42,665 | 16,40,15,735 | 36,87,59,466 | 58,87,17,866 |
| Borrowings | | 53,27,41,674 | - | - | 53,27,41,674 |
| Trade Payables | | 38,25,50,817 | - | - | 38,25,50,817 |
| Other financial liabilities | | 3,40,15,091 | - | - | 3,40,15,091 |
| Total | | 1,00,52,50,247 | 16,40,15,735 | 36,87,59,466 | 1,53,80,25,448 |



(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



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

45 Disclosure related to Leases

The Company has implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from 01 April 2021 using the full retrospective approach method.

(A) Additions to Right to Use

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---------------------|------------------------|------------------------|------------------------|
| Lease hold Property | 10,54,05,008 | 39,83,14,741 | 24,20,86,173 |

(B) Carrying value of right of use assets at the end of the reporting year

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---------------------------------------|------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 55,37,25,385 | 22,71,32,375 | - |
| Additions | 10,54,05,008 | 39,83,14,741 | 24,20,86,173 |
| Depreciation charge for the year | (10,03,69,643) | (7,17,21,731) | (1,49,53,798) |
| Balance at the end of the year | 55,87,60,750 | 55,37,25,385 | 22,71,32,375 |

(C) Carrying value of lease liability at the end of the reporting year

| Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---------------------------------------|------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 57,57,61,527 | 22,83,57,951 | - |
| Additions | 7,87,86,852 | 36,69,54,146 | 23,73,71,040 |
| Interest on lease liability | 5,86,05,307 | 4,55,07,848 | 91,27,375 |
| Payment made during the year | (10,09,33,807) | (6,50,58,418) | (1,81,40,464) |
| Balance at the end of the year | 61,22,19,879 | 57,57,61,527 | 22,83,57,951 |

(D) Maturity analysis of lease liabilities

| | | | |
|--|---------------------|---------------------|---------------------|
| Less than one year | 13,48,53,307 | 10,80,60,087 | 5,59,42,665 |
| One to three years | 27,97,22,188 | 23,11,64,161 | 16,40,15,735 |
| More than three years | 41,19,71,139 | 48,42,57,584 | 36,87,59,466 |
| Total undiscounted lease liabilities at reporting period | 82,65,46,635 | 82,34,81,832 | 58,87,17,866 |
| Lease liabilities included in the statement of financial position at the year ended | 61,22,19,879 | 57,57,61,527 | 22,83,57,951 |

(E) Amounts recognised in statement of profit or loss

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|--|
| Interest on lease liabilities | 5,86,05,307 | 4,55,07,848 |
| Expenses relating to short-term leases | 1,95,98,563 | 3,06,79,604 |
| Amortisation of Right to Use Assets | 10,03,69,643 | 7,17,21,731 |

(F) Amounts recognised in the statement of cash flows

| | | |
|--------------------------------------|---------------------|---------------------|
| Operating Activity | 4,88,32,335 | 8,67,48,033 |
| Financial Activity | 10,09,33,807 | 6,50,58,418 |
| Total Cash outflow for leases | 14,97,66,142 | 15,18,06,451 |



Entero Healthcare Solutions Private Limited

Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021

(Amount in INR , unless otherwise stated)

46 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 | As at | As at |
|----------------------------|---------------|---------------|---------------|
| | 31 March 2021 | 31 March 2020 | 01 April 2019 |
| Discount rate | 9.8% - 12% | 9.8% - 12% | 9.8% - 12% |
| Terminal value growth rate | 7% | 2.5% - 7% | 3.5% - 7% |
| Revenue growth rate | 15% | 15% | 15% |

The Company 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.



47 Employee benefits

I. Defined contribution plans

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

- a. Provident Fund
- b. Employee state insurance fund
- c. Labour welfare fund

The expense recognised during the period towards defined contribution plan -

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|--|-------------------------------------|-------------------------------------|
| Contribution to Provident Fund | 2,92,07,457 | 2,34,69,581 |
| Employers Contribution to Employee state insurance | 79,48,239 | 70,66,410 |
| Employers Contribution to Labour welfare fund | 1,69,831 | 1,21,238 |

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 2021 Gratuity (Unfunded) | For the Year ended 31 March 2020 Gratuity (Unfunded) |
|-------|---|---|---|
| I | Expenses recognised in statement of profit and loss during the year: | | |
| | Current service cost | 90,69,882 | 73,74,135 |
| | Net interest cost / (income) on the net defined benefit liability / (asset) | 18,67,702 | 15,27,938 |
| | Total expenses | 1,09,37,584 | 89,02,073 |
| II | Included in other comprehensive income | | |
| | Amount recognized in OCI, Beginning of Period | (57,44,117) | (23,29,637) |
| | Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations | (4,52,089) | (2,73,057) |
| | Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations | 24,73,766 | 12,19,600 |
| | Actuarial (gains)/ losses due to experience on defined benefit obligations | 23,914 | (43,61,023) |
| | Return on plan assets excluding Interest income | - | |
| | Total Remeasurements recognized in OCI | 20,45,591 | (34,14,480) |
| | Amount recognized in OCI, End of Period | (36,98,526) | (57,44,117) |



Entero Healthcare Solutions Private Limited
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

| Sr No | Defined benefit plans | For the Year ended | For the Year ended |
|-------------|--|----------------------------|----------------------------|
| | | 31 March 2021 | 31 March 2020 |
| | | Gratuity | Gratuity |
| | | (Unfunded) | (Unfunded) |
| III | Net liability recognised as at balance sheet date: | | |
| | Present value of defined benefit obligation | (3,43,06,814) | (2,56,45,828) |
| | Deficit | (3,43,06,814) | (2,56,45,828) |
| IV | Movements in present value of defined benefit obligation | | |
| | Present value of defined benefit obligation at the beginning of the year | 2,56,45,828 | 1,72,97,849 |
| | Current service cost | 88,02,894 | 73,67,404 |
| | Past service cost | 1,89,726 | |
| | Interest cost | 18,73,166 | 15,34,669 |
| | Acquisition cost | - | 43,96,100 |
| | Actuarial (gains) / loss | 18,57,905 | (34,14,480) |
| | Benefits paid | (40,62,706) | (15,35,713) |
| | Present value of defined benefit obligation at the end of the year | 3,43,06,813 | 2,56,45,829 |
| V | Maturity profile of defined benefit obligation | | |
| | Expected cash flows for future years (valued on undiscounted basis): | | |
| | 1st Following Year | 70,67,190 | 55,67,540 |
| | 2nd Following Year | 33,85,149 | 32,43,061 |
| | 3rd Following Year | 35,06,436 | 26,18,787 |
| | 4th Following Year | 42,37,743 | 25,63,113 |
| | 5th Following Year | 46,57,200 | 26,25,405 |
| | Sum of Years 6 To 10 | 1,52,28,061 | 93,03,770 |
| | Sum of Years 11 and above | 1,06,04,202 | 1,20,36,452 |
| 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 | 3,43,06,813 | 2,56,45,829 |
| | (i) +1% increase in discount rate | (15,63,839) | (11,52,852) |
| | (ii) -1% decrease in discount rate | 17,30,973 | 12,80,773 |
| | (iii) +1% increase in rate of compensation levels | 17,75,664 | 13,27,673 |
| | (iv) -1% decrease in rate of compensation levels | (16,14,731) | (11,95,153) |
| 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 2021 | As at 31 march 2020 |
| 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 | IALM (2012-14) Ultimate |
| 5 | Retirement age | 55-58 years | 55-58 years |

Leave Encashment

The amount recognized as an expense in respect of compensated absences is 48,37,417 (March 20: Rs 18,07,195)



48 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) |
| | Vipul Desai (Director) |

B. Details of related party transactions:

| Nature of Transaction | Name of the related party | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|-----------------------------|--|-------------------------------------|-------------------------------------|
| Purchase of stock in trade* | Novacare Drug Specialities Private Limited | - | 1,94,850 |
| | Medmate Pharma Private Limited (formerly known as Getwell Enterprises Private Limited) | 44,50,594 | 94,13,522 |
| | Chethana Medicals | - | 1,30,49,805 |
| | Chethana Pharma | - | 2,48,25,818 |
| * Inclusive of Taxes | | | |
| Remuneration Paid | Prabhat Agrawal | 2,87,78,400 | 2,57,53,404 |
| | Prem Sethi | 1,28,78,396 | 1,12,78,396 |
| Rent Paid | Novacare Drugs Specialities Private Limited | - | 13,63,600 |

C. Details of balances outstanding for related party transactions:

| Nature of Transaction | Name of the related party | As at 31 March 2021 | As at 31 March 2020 | As at 01 April 2019 |
|---------------------------|--|------------------------|------------------------|------------------------|
| Loans & Advances Given | Novacare Drugs Specialities Private Limited | 51,97,734 | 51,97,734 | 51,97,734 |
| Other Current Assets | Chethana Medicals | - | 1,01,34,330 | - |
| | Chethana Pharma | - | 1,08,17,620 | - |
| Trade payables | Jaggi Enterprises Private Limited | - | 6,69,901 | - |
| | R S M Pharma Private Limited | - | 4,627 | - |
| | Chhabra Healthcare Solutions Private Limited | - | 8,56,136 | - |
| Other Current Liabilities | Novacare Drugs Specialities Private Limited | 22,398 | 1,47,154 | 7,22,676 |
| | Chirag Agencies | - | 1,84,237 | - |
| | Chirag Pharma | - | 6,13,998 | - |
| Accounts Payables | Medmate Pharma Private Limited (formerly known as Getwell Enterprises Private Limited) | 4,63,027 | 4,92,236 | - |
| Other Payables | S Sundarlal Pharma Private Limited | - | (8,30,706) | 8,37,411 |
| | Galaxy Pharma Private Limited | - | - | 6,43,865 |

D. Key management personnel compensation:

| Particulars | For the Year ended 31 March 2021 | For the Year ended 31 March 2020 |
|-------------------------|-------------------------------------|-------------------------------------|
| Director Remuneration: | | |
| Salaries and Allowances | 4,16,56,796 | 3,70,31,800 |

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.



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

49 Business Combination

Novacare Healthcare Solutions Private Limited

a) Acquisition of Novacare Drug Specialities Private Limited

On 9 August 2018, the Company completed the acquisition under slump sale of the pharmaceutical distribution business of Novacare Drug Specialities Private Limited a Private Limited Company. The deal envisaged the acquisition of the business for a total cash consideration of INR 38,26,69,387 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date. 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 pharmaceutical distribution market with presence across India.

b) Purchase consideration transferred:

| Particulars | Amount in INR |
|---|---------------|
| Lump sum consideration (including contingent consideration) | 38,26,69,387 |

c) Assets acquired and liabilities assumed:

| | |
|--------------------------------------|---------------------|
| Assets acquired | |
| Property plant and equipment | 98,53,454 |
| Trade Receivables | 31,82,55,915 |
| Other financial assets | 1,50,80,676 |
| Other Current assets | 2,42,57,891 |
| Inventory | 22,55,46,022 |
| Liabilities assumed | |
| Trade Payables | (21,69,87,060) |
| Borrowings | (13,62,555) |
| Other financial liabilities | (1,70,55,996) |
| Total identifiable net assets | 35,75,88,347 |

d) Amount recognized as Goodwill:

| | |
|---|--------------------|
| Fair value of consideration transferred | 38,26,69,387 |
| Less: Fair value of the net assets acquired | 35,75,88,347 |
| Goodwill | 2,50,81,040 |

e) Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other receivables was INR 35,75,94,482 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.

G.S.PHARMACEUTICAL DISTRIBUTORS PRIVATE LIMITED

a Acquisition of G. S. Distributors

On 09 August 2018, the Company completed the acquisition of the G. S. Distributors a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of Rs 7,40,06,588 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 120 days of closing date and milestone payment payable on achieving sales, EBIDTA target and employment of certain employees. 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 Maharashtra market.

b Purchase consideration transferred:

| Particulars | Amount in INR |
|---|---------------|
| Lump sum consideration (including contingent consideration) | 7,40,06,588 |



Entero Healthcare Solutions Private Limited**Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021**

(Amount in INR , unless otherwise stated)

c Assets acquired and liabilities assumed:**Assets acquired**

| | |
|--------------------------------------|--------------------|
| Property, Plant and Equipment | 10,57,463 |
| Inventories | 3,47,15,592 |
| Trade receivables | 67,18,372 |
| Other current liabilities | (2,43,801) |
| Trade payables | (81,41,038) |
| Total identifiable net assets | 3,41,06,588 |

d Amount recognized as Goodwill:

| | |
|---|--------------------|
| Fair value of consideration transferred | 7,40,06,588 |
| Less: Fair value of the net assets acquired | 3,41,06,588 |
| Goodwill | 3,99,00,000 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 67,18,372 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.

Getwell Medicare Solution Private Limited**a Acquisition of Getwell Drug House, Getwell Medicare and Getwell Pharmaceuticals**

On 26 December 2018, the Company completed the acquisition of the Getwell Drug House, Getwell Medicare and Getwell Pharmaceuticals a partnership firms. The deal envisaged the acquisition of the business for a total cash consideration of INR 25,31,05,131 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 12 months of closing date. The transaction is accounted as business combination under Ind AS 103.

The acquisition is in line with the Company's strategic intent to enter into Kerala Pharmaceutical market.

b Purchase consideration transferred:

| Particulars | Amount in INR |
|---|---------------|
| Lump sum consideration (including contingent consideration) | 25,31,05,131 |

c Assets acquired and liabilities assumed:**Assets acquired**

| | |
|-------------------|--------------|
| Fixed assets | 67,95,034 |
| Trade Receivables | 12,34,44,829 |
| Inventory | 8,28,19,450 |

Liabilities assumed

| | |
|-------------------|---------------|
| Borrowings | (6,11,591) |
| Trade Payables | (3,45,69,236) |
| Other liabilities | (46,88,355) |

| | |
|--------------------------------------|---------------------|
| Total identifiable net assets | 17,31,90,131 |
|--------------------------------------|---------------------|

d Amount recognized as Goodwill:

| | |
|---|--------------------|
| Fair value of consideration transferred | 25,31,05,131 |
| Less: Fair value of the net assets acquired | 17,31,90,131 |
| Goodwill | 7,99,15,000 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 12,34,44,829 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.



Entero Healthcare Solutions Private Limited

Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021

(Amount in INR , unless otherwise stated)

Avenues Pharma Distributors Pvt Ltd**a Acquisition of Avenues Pharmaceuticals Associates**

On 15 April 2019, the Company completed the acquisition of the Avenues Pharmaceuticals Associates a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 39,90,00,000 including deferred consideration of payable on transfer of atleast 90% of supplier code to aquiree within 120 days of closing date and milestone consideration on achievement of certain sales and EBIDTA threshold in six months from the date of closing. 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 strengthen its position in Karnataka Market.

b Purchase consideration transferred:

| Particulars | Amount in INR |
|---|---------------------|
| Lump sum consideration (including contingent consideration) | <u>39,90,00,000</u> |

c Assets acquired and liabilities assumed:

| Assets acquired | |
|--------------------------------------|----------------------------|
| Inventory | 11,63,49,306 |
| Property, plant and equipment | 2,32,55,612 |
| Trade Receivable | 17,28,29,232 |
| Other current assets | 2,20,66,465 |
| Trade Payable | (4,44,67,754) |
| Gratuity Provision | (43,96,100) |
| Total identifiable net assets | <u>28,56,36,761</u> |

d Amount recognized as Goodwill:

| | |
|---|----------------------------|
| Fair value of consideration transferred | 39,90,00,000 |
| Less: Fair value of the net assets acquired | 28,56,36,761 |
| Goodwill | <u>11,33,63,239</u> |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 19,48,95,697 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.

Chirag Medicare Solutions Private Limited**a Acquisition of Chirag Agencies and Chirag Pharma**

On 13 May 2019, the Company completed the acquisition of the Chirag Agencies and Chirag Pharma a partnership firm. The deal envisaged the acquisition of the business for a total cash consideration of Rs 28,00,00,000 including deferred consideration of INR 7,20,07,267 payable on transfer of atleast 100% of supplier code to aquiree within 12 months of closing date and milestone consideration on achievement of certain sales and EBIDTA threshold. 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 strengthen its position in Karnataka Market.

b Purchase consideration transferred:

| Particulars | Amount in INR |
|------------------------|---------------------|
| Lump sum consideration | <u>28,00,00,000</u> |

c Assets acquired and liabilities assumed:

| Particulars | |
|--------------------------------------|----------------------------|
| Assets acquired | |
| Trade Receivables | 15,84,69,525 |
| Inventory | 13,23,22,405 |
| Property, plant and equipment | 19,73,977 |
| Liabilities assumed | |
| Trade Payables | (8,18,18,565) |
| Other liabilities | (29,54,609) |
| Total identifiable net assets | <u>20,79,92,733</u> |



Entero Healthcare Solutions Private Limited**Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021**

(Amount in INR , unless otherwise stated)

d Amount recognized as Goodwill:**Particulars**

| | <u>Amount in INR</u> |
|---|----------------------|
| Fair value of consideration transferred | 28,00,00,000 |
| Less: Fair value of the net assets acquired | 20,79,92,733 |
| Goodwill | 7,20,07,267 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other receivables was INR 15,84,69,525 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.

JAGGI ENTERPRISES PRIVATE LIMITED**a Acquisition of Jaggi Pharmaceuticals**

On 20 May 2019, the Company completed the acquisition of the Jaggi Pharmaceuticals a partnership firm. The deal envisaged the acquisition of the business for a total cash consideration of INR 13,54,31,093 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving sales, EBIDTA target and employment of certain employees. 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 New Delhi market.

b Purchase consideration transferred:

| Particulars | <u>Amount in INR</u> |
|--|----------------------|
| Lump sum consideration (including contingent consideration) | 13,54,31,093 |

c Assets acquired and liabilities assumed:**Assets acquired**

| | |
|--------------------------------------|---------------------------|
| Property, Plant and Equipment | 12,45,200 |
| Inventories | 4,68,33,680 |
| Trade receivables | 1,40,73,344 |
| Other current assets | 32,03,094 |
| Trade payables | <u>(1,24,24,225)</u> |
| Total identifiable net assets | <u>5,29,31,093</u> |

d Amount recognized as Goodwill:

| | |
|---|---------------------------|
| Fair value of consideration transferred | 13,54,31,093 |
| Less: Fair value of the net assets acquired | <u>5,29,31,093</u> |
| Goodwill | <u>8,25,00,000</u> |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 1,72,76,438 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.

Chethana Healthcare Solutions Private Limited**a Acquisition of Chethana Pharma (Kalaburagi)**

On 29 May 2019, the Company completed the acquisition of the Chethana Pharma a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of Rs 6,70,00,000 including deferred consideration payable on transfer of atleast 100% of supplier code to aquiree within 12 months of closing date and milestone consideration on achievement of certain sales and EBIDTA threshold. 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 strengthen its position in Karnataka Market.

b Purchase consideration transferred:

| Particulars | <u>Amount in INR</u> |
|--|---------------------------|
| Lump sum consideration (including contingent consideration) | <u>6,70,00,000</u> |



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

c Assets acquired and liabilities assumed:

| | |
|--------------------------------------|--------------------|
| Assets acquired | |
| Trade Receivables | 3,02,72,250 |
| Property, plant and equipment | 18,16,142 |
| Inventory | 3,55,31,547 |
| Liabilities assumed | |
| Trade Payables | (3,51,22,797) |
| Total identifiable net assets | 3,24,97,142 |

d Amount recognized as Goodwill:

| | |
|---|--------------------|
| Fair value of consideration transferred | 6,70,00,000 |
| Less: Fair value of the net assets acquired | 3,24,97,142 |
| Goodwill | 3,45,02,858 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 3,02,72,250 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.

VASAVI MEDICARE SOLUTIONS PRIVATE LIMITED

Acquisition of Sri Vasavi Combines

On 31 May 2019, the Company completed the acquisition of the Sri Vasavi Combines a partnership firms through asset purchase agreement. The deal envisaged the acquisition of the its supplier code for a total cash consideration of Rs 2,30,00,000 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date.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 strengthen its position in Tamil Nadu market.

SVMED SOLUTIONS PRIVATE LIMITED

a Acquisition of S V Pharma

On 12 June 2019, the Company completed the acquisition of the S V Pharma a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 5,77,01,203 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBIDTA targets and employment of certain employees. 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 Andhra Pradesh market.

b Purchase consideration transferred:

| | |
|---|----------------------|
| Particulars | Amount in INR |
| Lump sum consideration (including contingent consideration) | 5,77,01,203 |

c Assets acquired and liabilities assumed:

| | |
|--------------------------------------|--------------------|
| Assets acquired | |
| Property, Plant and Equipment | 3,53,647 |
| Inventories | 1,26,01,228 |
| Trade receivables | 2,78,42,413 |
| Other current assets | 5,16,288 |
| Trade payables | (76,12,373) |
| Total identifiable net assets | 3,37,01,203 |

d Amount recognized as Goodwill:

| | |
|---|--------------------|
| Fair value of consideration transferred | 5,77,01,203 |
| Less: Fair value of the net assets acquired | 3,37,01,203 |
| Goodwill | 2,40,00,000 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 2,83,58,701 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.



Chethana Pharma Private Limited

a Acquisition of Chethana Medicals and Chethana Pharma

On 5 August 2019, the Company completed the acquisition of the Chethana Medicals and Chethana Pharma a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 27,30,00,000 including deferred consideration payable on transfer of atleast 100% of supplier code to aquiree within 12 months of closing date and milestone consideration on achievement of certain sales and EBIDTA threshold. 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 strengthen its position in Karnataka Market.

b Purchase consideration transferred:

| Particulars | Amount in INR |
|---|---------------|
| Lump sum consideration (including contingent consideration) | 27,30,00,000 |

c Assets acquired and liabilities assumed:

| Assets acquired | |
|--------------------------------------|---------------------|
| Trade Receivables | 14,54,48,786 |
| Inventory | 18,38,34,710 |
| Property, plant and equipment | 14,16,392 |
| Other current assets | 59,06,059 |
| Liabilities assumed | |
| Trade Payables | (12,44,20,302) |
| Other liabilities | (32,05,163) |
| Total identifiable net assets | 20,89,80,482 |

d Amount recognized as Goodwill:

| | |
|---|--------------------|
| Fair value of consideration transferred | 27,30,00,000 |
| Less: Fair value of the net assets acquired | 20,89,80,482 |
| Goodwill | 6,40,19,518 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 15,13,54,845 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.

Millennium Medisolutions Private Limited

a Acquisition of Millennium Medicare Solutions Private Limited

On 7 August 2019, the Company completed the acquisition of the Millennium Medicare Solutions Private Limited a Private Limited Company under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 16,48,86,835 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date and milestone consideration payable after 12 months based on achievement of Sales, EBIDTA, Employment and addition of new supplier codes. 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 strengthen its position in Delhi NCR region.

b Purchase consideration transferred:

| Particulars | Amount in INR |
|---|---------------|
| Lump sum consideration (including contingent consideration) | 16,48,86,835 |

c Assets acquired and liabilities assumed:

| Assets acquired | |
|--------------------------------------|---------------------|
| Trade Receivables | 7,33,34,689 |
| Inventory | 8,05,61,529 |
| Liabilities assumed | |
| Trade Payables | (5,14,09,383) |
| Total identifiable net assets | 10,24,86,835 |



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

d Amount recognized as Goodwill:

| | |
|---|---------------------------|
| Fair value of consideration transferred | 16,48,86,835 |
| Less: Fair value of the net assets acquired | 10,24,86,835 |
| Goodwill | <u>6,24,00,000</u> |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was Rs. 7,33,34,689 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.

Rada Medisolutions Private Limited

a Acquisition of Rada Agencies

On 21 August 2019, the Company completed the acquisition of the Rada Agencies a partnership firm. The deal envisaged the acquisition of the business for a total cash consideration of Rs 2,39,40,393 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving sales target, additon of companies as authorised stockiest and employment conditions. 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 strengthen its position in Chennai market.

b Purchase consideration transferred:

| | |
|--|---------------------------|
| Particulars | Amount in INR |
| Lump sum consideration (including contingent consideration) | <u>2,39,40,393</u> |

Assets acquired and liabilities assumed:

c

Assets acquired

| | |
|--------------------------------------|-------------------------|
| Inventories | 29,43,668 |
| Trade receivables | 63,06,763 |
| Trade payables | (21,10,038) |
| Total identifiable net assets | <u>71,40,393</u> |

d Amount recognized as Goodwill:

| | |
|---|---------------------------|
| Fair value of consideration transferred | 2,39,40,393 |
| Less: Fair value of the net assets acquired | 71,40,393 |
| Goodwill | <u>1,68,00,000</u> |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 63,06,763 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.

SESHA BALAJEE MEDISOLUTIONS PRIVATE LIMITED

a Acquisition of Sesha Balajee Medical Agencies and Balaji Medical Agencies

On 13 January 2020, the Company completed the acquisition of the Sesha Balajee Medical Agencies and Balaji Medical Agencies a partnership firms. The deal envisaged the acquisition of the business for a total cash consideration of INR 10,77,00,110 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving sales and EBIDTA targets within 12 months of closing date. 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 strengthen its position in Andhra Pradesh market.

b Purchase consideration transferred:

| | |
|--|----------------------------|
| Particulars | Amount in INR |
| Lump sum consideration (including contingent consideration) | <u>10,77,00,110</u> |



Entero Healthcare Solutions Private Limited
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
(Amount in INR , unless otherwise stated)

| | |
|---|--------------------|
| c Assets acquired and liabilities assumed: | |
| Property, Plant and Equipment | 6,93,146 |
| Inventories | 4,78,69,722 |
| Trade receivables | 4,30,53,141 |
| Other current assets | 56,23,738 |
| Trade payables | (1,76,39,637) |
| Total identifiable net assets | 7,96,00,110 |
| d Amount recognized as Goodwill: | |
| Fair value of consideration transferred | 10,77,00,110 |
| Less: Fair value of the net assets acquired | 7,96,00,110 |
| Goodwill | 2,81,00,000 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 4,86,76,879 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.

BARROS ENTERPRISES PRIVATE LIMITED

a Acquisition of Barros Enterprises

On 2 March 2020, the Company completed the acquisition of the Barros Enterprises a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of Rs 15,00,00,000 including deferred consideration of INR 6,00,00,000 payable on transfer of atleast 95% of new supplier code by aquiree which shall be transferred within 180 days of closing date and milestone payment payable on achieving EBIDTA 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 intent to enter in Goa market.

b Purchase consideration transferred:

| | |
|---|----------------------|
| Particulars | Amount in INR |
| Lump sum consideration (including contingent consideration) | 15,00,00,000 |

c Assets acquired and liabilities assumed:

| | |
|--------------------------------------|--------------------|
| Assets acquired | |
| Property, Plant and Equipment | 27,80,183 |
| Inventories | 7,35,01,634 |
| Trade receivables | 2,78,80,586 |
| Trade payables | (2,76,89,721) |
| Total identifiable net assets | 7,64,72,682 |

d Amount recognized as Goodwill:

| | |
|---|--------------------|
| Fair value of consideration transferred | 15,00,00,000 |
| Less: Fair value of the net assets acquired | 7,64,72,682 |
| Goodwill | 7,35,27,318 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 2,78,80,586 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.

Sree Venkateshwara Medisolutions Private Limited

a Acquisition of Sree Venkateswara Drugs

On 6 August 2020 , the Company completed the acquisition of the Sree Venkateswara Drugs a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 67,14,612 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date and milestone payment on achievement of sales target and employment of certain employees. 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 strengthen its position in Hyderabad.



Entero Healthcare Solutions Private Limited
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

b Purchase consideration transferred:

| Particulars | Amount in INR |
|------------------------|---------------|
| Lump sum consideration | 67,14,612 |

c Assets acquired and liabilities assumed:

| Particulars | Amount in INR |
|--------------------------------------|------------------|
| Assets acquired | |
| Property, Plant and equipment | 82,663 |
| Trade Receivables | 20,61,850 |
| Other current assets | 1,97,679 |
| Inventory | 30,21,870 |
| Liabilities assumed | |
| Trade Payables | (13,19,010) |
| Other current liabilities | (30,440) |
| Total identifiable net assets | 40,14,612 |

d Amount recognized as Goodwill:

| Particulars | Amount in INR |
|---|------------------|
| Fair value of consideration transferred | 67,14,612 |
| Less: Fair value of the net assets acquired | 40,14,612 |
| Goodwill | 27,00,000 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 22,59,529 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.

Calcutta Medisolutions Private Limited

a Acquisition of Calcutta Medical Hall

On 1 January 2021, the Company completed the acquisition of the Calcutta Medical Hall a partnership firm under slump sale . The deal envisaged the acquisition of the business for a total cash consideration of INR 42,79,247 including deferred consideration payable on transfer of atleast 90% of new supplier code to aquiree which shall be transferred within 90 days of closing date. 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 strengthen its position in Kolkata market.

b Purchase consideration transferred:

| Particulars | Amount in INR |
|---|---------------|
| Lump sum consideration (including contingent consideration) | 42,79,247 |

c Assets acquired and liabilities assumed:

| Assets acquired | |
|--------------------------------------|------------------|
| Inventories | 12,60,372 |
| Trade receivables | 6,79,840 |
| Trade payables | (1,60,965) |
| Total identifiable net assets | 17,79,247 |

d Amount recognized as Goodwill:

| | |
|---|------------------|
| Fair value of consideration transferred | 42,79,247 |
| Less: Fair value of the net assets acquired | 17,79,247 |
| Goodwill | 25,00,000 |

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 6,79,840 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.



50 First time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1-4 have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS balance sheet at 1 April 2019 .In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

a Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS.

i Deemed cost

Ind AS 101 permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of the transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38. Accordingly, the Company has elected to measure all of its PPE and Intangible Asset at their previous GAAP carrying value.

ii Investments in subsidiaries and joint ventures

The Company has availed the exemption to exercise the option of considering Indian GAAP carrying amount as deemed cost under Ind AS as on transition date.

b Set out below are the applicable Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i Estimates

An company's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Holding Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:
 - Impairment of financial assets based on expected credit loss model.

ii Classification and measurement of financial assets

Ind AS 101 requires an company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

iii Derecognition of financial assets and liabilities

The company has applied the derecognition requirement of financial assets and financial liabilities prospectively for transaction occurring on or after the transition date..

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an company to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS

i) Reconciliation of Balance sheet as at date of transition (01 april 2019)

| Particulars | Indian GAAP* | Adjustments | Ind AS |
|---|-----------------------|---------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6,75,02,628 | 22,71,32,373 | 29,46,35,001 |
| Capital work-in-progress | 8,15,77,836 | - | 8,15,77,836 |
| Goodwill | 13,47,50,071 | 15,95,75,985 | 29,43,26,056 |
| Intangible asset under development | 45,86,950 | - | 45,86,950 |
| Goodwill on consolidation | 14,94,30,016 | - | 14,94,30,016 |
| Financial assets | | | |
| Loans | 2,35,18,010 | 35,41,328 | 2,70,59,338 |
| Deferred tax asset (net) | 14,67,563 | 6,098 | 14,73,661 |
| Non Current tax assets (net) | 1,02,34,314 | - | 1,02,34,314 |
| Other non-current assets | 1,37,67,746 | - | 1,37,67,746 |
| Total non-current assets | 48,68,35,134 | 39,02,55,784 | 87,70,90,918 |
| Current assets | | | |
| Inventories | 79,42,94,691 | - | 79,42,94,691 |
| Financial assets | | | |
| Investments | 5,00,00,000 | 82,181 | 5,00,82,181 |
| Trade receivables | 1,05,06,26,776 | (11,70,544) | 1,04,94,56,232 |
| Cash and cash equivalents | 66,14,34,033 | - | 66,14,34,033 |
| Bank balances other than cash and cash equivalent | 20,03,40,000 | - | 20,03,40,000 |
| Loans | 1,18,99,089 | 51,82,667 | 1,70,81,756 |
| Other financial assets | 1,00,84,063 | (22,93,146) | 77,90,917 |
| Other current assets | 16,17,87,347 | 20,25,436 | 16,38,12,783 |
| Total current assets | 2,94,04,65,999 | 38,26,594 | 2,94,42,92,593 |
| Total assets | 3,42,73,01,133 | 39,40,82,379 | 3,82,13,83,511 |



EQUITY AND LIABILITIES

Equity

| | | | |
|---------------------------------|-----------------------|--------------------|-----------------------|
| Equity share capital | 10,02,000 | - | 10,02,000 |
| Equity Component of Pref shares | 2,59,41,23,000 | - | 2,59,41,23,000 |
| Other equity | (16,78,22,519) | (64,76,904) | (17,42,99,423) |
| Total equity | 2,42,73,02,481 | (64,76,904) | 2,42,08,25,577 |

| | | | |
|--------------------------|--------------------|-------------------|--------------------|
| Minority Interest | 1,22,41,562 | (4,46,073) | 1,17,95,489 |
|--------------------------|--------------------|-------------------|--------------------|

Liabilities

Non-current liabilities

| | | | |
|--------------------------------------|--------------------|---------------------|---------------------|
| Financial liabilities | | | |
| Borrowings | 2,88,195 | - | 2,88,195 |
| Lease Liabilities | 21,39,586 | 20,41,05,469 | 20,62,45,055 |
| Provisions | 78,59,033 | 34,87,469 | 1,13,46,502 |
| Deferrd tax Liability (net) | 37,88,063 | 13,16,255 | 51,04,319 |
| Total non-current liabilities | 1,40,74,877 | 20,89,09,194 | 22,29,84,071 |

Current liabilities

| | | | |
|---|-----------------------|---------------------|-----------------------|
| Financial liabilities | | | |
| Borrowings | 53,24,53,479 | - | 53,24,53,479 |
| Lease Liabilities | 18,85,822 | 2,02,27,074 | 2,21,12,896 |
| Trade payables | | | |
| i)total outstanding dues of micro enterprises and small enterprises | 10,17,796 | - | 10,17,796 |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise | 38,36,80,420 | (21,47,399) | 38,15,33,021 |
| Other financial liabilities | 2,65,46,653 | 74,68,439 | 3,40,15,091 |
| Other current liabilities | 1,99,84,085 | - | 1,99,84,085 |
| Provisions | 81,13,959 | 1,71,18,031 | 2,52,31,990 |
| Total current liabilities | 97,36,82,213 | 4,26,66,145 | 1,01,63,48,358 |
| Total liabilities | 98,77,57,090 | 25,15,75,339 | 1,23,93,32,429 |
| Total equity and liabilities | 3,42,73,01,133 | 24,46,52,362 | 3,67,19,53,495 |

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

ii) Reconciliation of Balance sheet as at 31 march 2020

| Particulars | Indian GAAP* | Adjustments | Ind AS |
|---|-----------------------|----------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 41,18,27,698 | 55,37,25,384 | 96,55,53,082 |
| Capital work-in-progress | - | - | - |
| Other intangible assets | 57,65,366 | - | 57,65,366 |
| Goodwill | 54,64,14,935 | 34,47,41,737 | 89,11,56,672 |
| Intangible asset under development | 2,25,50,000 | - | 2,25,50,000 |
| Goodwill On cosolidation | 15,57,38,999 | 3,01,432 | 15,60,40,431 |
| Financial assets | | | |
| Investments | - | - | - |
| Trade receivables | - | - | - |
| Loans | - | - | - |
| Loans | 6,68,51,643 | (1,73,82,181) | 4,94,69,462 |
| Deferred tax asset (net) | 22,39,613 | 2,15,520 | 24,55,133 |
| Non Current tax assets (net) | 3,34,21,647 | - | 3,34,21,647 |
| Other non-current assets | 44,01,560 | - | 44,01,560 |
| Total non-current assets | 1,24,92,11,461 | 88,16,01,892 | 2,13,08,13,353 |
| Current assets | | | |
| Inventories | 1,94,54,68,090 | - | 1,94,54,68,090 |
| Financial assets | | | |
| Trade receivables | 2,32,44,69,079 | (64,34,876) | 2,31,80,34,203 |
| Cash and cash equivalents | 43,15,38,038 | - | 43,15,38,038 |
| Bank balances other than cash and cash equivalent | 27,66,15,000 | - | 27,66,15,000 |
| Loans | 4,09,19,128 | (2,73,21,253) | 1,35,97,875 |
| Other financial assets | 1,27,27,882 | (16,64,663) | 1,10,63,219 |
| Other current assets | 51,82,90,496 | 28,20,067 | 52,11,10,563 |
| Total current assets | 5,55,00,27,713 | (3,26,00,725) | 5,51,74,26,988 |
| Total assets | 6,79,92,39,173 | 84,90,01,167 | 7,64,82,40,341 |

EQUITY AND LIABILITIES

Equity

| | | | |
|---------------------------------|-----------------------|--------------------|-----------------------|
| Equity share capital | 10,02,000 | - | 10,02,000 |
| Equity Component of Pref shares | 4,38,71,23,000 | - | 4,38,71,23,000 |
| Other equity | (17,76,98,385) | 1,64,06,102 | (16,12,92,283) |
| Total equity | 4,21,04,26,615 | 1,64,06,102 | 4,22,68,32,717 |



| | | | |
|---|-----------------------|---------------------|-----------------------|
| Minority Interest | 1,51,43,596 | 18,365 | 1,51,61,961 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 1,99,506 | - | 1,99,506 |
| Lease Liabilities | 1,52,98,784 | 50,60,36,976 | 52,13,35,760 |
| Provisions | 1,65,43,361 | 37,03,428 | 2,02,46,789 |
| Deferred tax liabilities (Net) | 1,08,20,755 | 64,50,302 | 1,72,71,057 |
| Total non-current liabilities | 4,28,62,406 | 51,61,90,706 | 55,90,53,112 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 1,06,49,39,581 | (4,54,191) | 1,06,44,85,390 |
| Lease Liabilities | 18,85,822 | 5,25,39,946 | 5,44,25,767 |
| Trade payables | | | |
| i) total outstanding dues of micro enterprises and small enterprises | 54,42,436 | - | 54,42,436 |
| ii) total outstanding dues of creditors other than micro and small enterprise | 1,08,99,49,683 | (2,22,30,683) | 1,06,77,19,000 |
| Other financial liabilities | 5,55,17,573 | 12,89,22,580 | 18,44,40,153 |
| Other current liabilities | 18,39,78,108 | - | 18,39,78,108 |
| Provisions | 12,90,93,354 | (8,66,525) | 12,82,26,830 |
| Current tax liabilities (net) | - | 24,34,436 | 24,34,436 |
| Total current liabilities | 2,53,08,06,556 | 16,03,45,563 | 2,69,11,52,120 |
| Total liabilities | 2,57,36,68,962 | 67,65,36,269 | 3,25,02,05,232 |
| Total equity and liabilities | 6,79,92,39,173 | 69,29,60,736 | 7,49,21,99,910 |

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

iii) Reconciliation of total comprehensive income for the year ended 31 march 2020

| Particulars | Indian GAAP* | Adjustments | Ind AS |
|--|------------------------|----------------------|------------------------|
| Income | | | |
| Revenue from operations | 13,49,66,25,107 | -3,95,780 | 13,49,62,29,327 |
| Other income | 4,48,49,265 | 17,66,073 | 4,66,15,338 |
| Total income | 13,54,14,74,372 | 13,70,293 | 13,54,28,44,665 |
| Expenses | | | |
| Purchase of Stock-in-trade | 12,77,53,79,798 | - | 12,77,53,79,798 |
| Changes in inventories of Stock-in-trade | (38,60,87,182) | - | (38,60,87,182) |
| Employee benefits expense | 55,69,20,323 | 43,46,791 | 56,12,67,114 |
| Finance costs | 8,22,09,918 | 4,55,07,848 | 12,77,17,766 |
| Depreciation and amortization expense | 9,42,93,817 | 2,06,97,431 | 11,49,91,248 |
| Other expenses | 40,53,77,695 | (9,44,73,339) | 31,09,04,356 |
| Total expenses | 13,52,80,94,369 | (2,39,21,269) | 13,50,41,73,100 |
| Profit/(Loss) before exceptional items and tax | 1,33,80,003 | 2,52,91,562 | 3,86,71,565 |
| Exceptional items | | | |
| Profit/(Loss) before tax | 1,33,80,003 | 2,52,91,562 | 3,86,71,565 |
| Tax expense | | | |
| Current tax | 1,44,90,356 | - | 1,44,90,356 |
| Deferred tax | 58,63,479 | 54,57,913 | 1,13,21,392 |
| Total income tax expense | 2,03,53,835 | 54,57,913 | 2,58,11,748 |
| (Loss)/Profit for the year | (69,73,832) | 1,98,33,649 | 1,28,59,817 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement (loss)/gain on defined benefit plan | - | 34,32,151 | 34,32,151 |
| Income tax effect | - | 81,643 | 81,643 |
| Total | - | 35,13,794 | 35,13,794 |
| Items that will be reclassified to profit or loss | | | |
| Other comprehensive income for the year, net of tax | - | 35,13,794 | 35,13,794 |
| Total comprehensive income for the year | (69,73,832) | 2,33,47,443 | 1,63,73,611 |

iv) Reconciliation of total equity as at 31 March 2020 and 01 April 2019

| Particulars | As at 31 March 2020 | As at 1 April 19 |
|--|------------------------|-----------------------|
| Total equity (shareholder's funds) as per previous GAAP | 4,21,04,26,615 | 2,42,73,02,481 |
| Adjustments: | | |
| Under IND AS 109 - Financial Instruments | | |
| - Loss provisioning as per ECL model | (27,28,189) | (11,54,772) |
| - Fair valuation of Mutual Funds | - | 82,181 |
| - Security Deposits | (7,03,074) | (1,25,186) |
| Gratuity Provisioning | (44,80,640) | (37,03,195) |
| Under Application of Appendix C of IND AS 101 | 5,51,15,257 | 58,49,883 |
| Under IND AS 116 - Leases | (2,37,35,282) | (54,69,161) |
| Under IND AS 12 - Deferred Taxes on above adjustments | (70,61,970) | (19,56,654) |
| Total | 4,22,68,32,717 | 2,42,08,25,577 |



v) Reconciliation of total comprehensive income for the year ended 31 March 2020

| Particulars | For the Year ended 31 March 2020 |
|---|--|
| Profit/(Loss) after tax as per previous GAAP | (69,73,832) |
| Adjustments | |
| Under IND AS 109 - Financial Instruments | |
| - Loan loss provisioning as per ECL model | (15,73,417) |
| - Fair valuation of Mutual Funds | (82,181) |
| - Unwinding of security Deposits | (5,77,889) |
| | - |
| Under IND AS 116 - Leases | (1,82,66,121) |
| Under Application of Appendix C of IND AS 101 | 4,92,65,374 |
| Gratuity provisioning | (7,77,445) |
| Under IND AS 12 - Deferred Taxes | (51,05,316) |
| Remeasurement of Defined Benefit scheme | (35,13,794) |
| Profit after tax as per Ind AS | 1,23,95,380 |
| Other comprehensive income, net off tax | 35,13,794 |
| Total comprehensive income as per Ind AS | 1,59,09,174 |

vi) Effects of Ind AS adoption on Cash Flows for year ended 31 march 2019

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

C. Notes to first-time adoption

(i) Lease equalization reserve

Under Indian GAAP, the Company has recognized lease equalization reserve as on 31 March 2020 of INR 2,16,14,199 (1 April 2019: INR 53,28,464) due to straight-line impact. Under Ind AS 116, Leases, Company has adopted full retrospective approach and recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease. Consequently, lease equalization reserve has been decreased with a corresponding adjustment in retained earnings as of 1 April 2019 by INR 53,28,464 and Rent expense by INR 2,16,14,199 during the year ending 31 March 2020. On adoption of the new standard resulted in recognition of 'Right-of-Use' Asset and a lease liability. On transition date cumulative effect of applying the standard, amounting to INR 54,69,161 was debited to retained earnings.

(ii) Security deposit

Under Indian GAAP, interest-free security deposit (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as ROU. Consequently, the amount of security deposit as on 31 March 2020 has been decreased by INR 2,02,00,812 (1 April 2019: INR 69,62,820 with a corresponding increase in ROU. Subsequently, security deposits are carried at amortised cost and unwinding of interest is charged to statement of profit & loss.

(iii) Investments measured at FVTPL

The Holding Company has designated investments in Mutual Funds at Fair Value through Profit and Loss (FVTPL). At the date of transition to Ind AS, difference between the fair value of investment and IGAAP carrying amount has been recognised in Retained Earnings and for the year ended March 2020, fair value gain has been recognised in Statement of profit and Loss.

(iv) Deferred tax

Indian GAAP requires assessment of virtual certainty in case of losses for recognizing deferred tax asset, but under Ind AS deferred tax assets are recognized 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.

(v) Remeasurements of post employment benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year.

(vi) Expected credit losses

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on trade receivables.

For this purpose, the Company follows simplified approach for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require to track changes in credit risk. Rather it recognises impairment loss allowances based on lifetime ECLs of each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowances on its portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable.



Entero Healthcare Solutions Private Limited
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2021
 (Amount in INR , unless otherwise stated)

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 | |
|--|-----------------------|------------------------------|-------------------------|----------------------------------|
| | INR | % of consolidated net assets | INR | % of consolidated profit or loss |
| Holding company | | | | |
| Entero Healthcare Solutions Private Limited | 4,86,43,81,971 | 100.22% | (18,18,30,296) | 117.02% |
| Subsidiaries Company | | | | |
| Novacare Healthcare Solutions Private Limited | 4,79,04,187 | 0.99% | (47,99,356) | 3.09% |
| G.S.Pharmaceutical Distributors Private Limited | 2,46,78,631 | 0.51% | 11,49,917 | (0.74%) |
| R S M Pharma Private Limited | 1,98,95,278 | 0.41% | 73,17,393 | (4.71%) |
| Getwell Medicare Solutions Private Limited | 11,29,96,023 | 2.33% | 1,19,16,287 | (7.67%) |
| Sundarlal Pharma Distributors Private Limited | (4,88,38,839) | (1.01%) | (2,15,19,018) | 13.85% |
| Chhabra Healthcare Solutions Private Limited | (93,34,528) | (0.19%) | (36,21,297) | 2.33% |
| Galaxystar Pharma Distributors Private Limited | (1,84,46,427) | (0.38%) | 10,98,077 | (0.71%) |
| Avenues Pharma Distributors Private Limited | (18,10,265) | (0.04%) | (71,34,596) | 4.59% |
| Chirag Medicare Solutions Private Limited | 6,38,44,862 | 1.32% | 3,63,84,745 | (23.42%) |
| Jaggi Enterprises Private Limited | (85,48,838) | (0.18%) | (41,71,199) | 2.68% |
| Chethana Healthcare Solutions Private Limited | 62,37,005 | 0.13% | 33,77,773 | (2.17%) |
| Vasavi Medicare Solutions Private Limited | (16,29,555) | (0.03%) | (8,68,978) | 0.56% |
| SVMED Solutions Private Limited | 82,22,284 | 0.17% | 64,49,910 | (4.15%) |
| Chethana Pharma Private Limited | 6,73,09,588 | 1.39% | 4,37,11,694 | (28.13%) |
| Millennium Medisolutions Private Limited | 1,17,08,480 | 0.24% | 48,70,059 | (3.13%) |
| Rada Medisolutions Private Limited | (85,47,462) | (0.18%) | (64,37,783) | 4.14% |
| Sesha Balajee Medisolutions Private Limited | 20,11,088 | 0.04% | 16,87,210 | (1.09%) |
| Barros Enterprises Private Limited | 1,55,67,430 | 0.32% | 1,37,95,739 | (8.88%) |
| Chethana Pharma Distributors Private Limited | (33,12,897) | (0.07%) | (34,12,897) | 2.20% |
| Sree Venkateshwara Medisolutions Private Limited | (20,17,331) | (0.04%) | (21,17,331) | 1.36% |
| CPD Pharma Private Limited | 13,17,285 | 0.03% | 12,196 | (0.01%) |
| Calcutta Medisolutions Private Limited | 2,31,007 | 0.00% | 1,31,007 | (0.08%) |
| Curever Pharma Private Limited | (1,01,82,422) | (0.21%) | (1,02,82,422) | 6.62% |
| Rimedio Pharma Private Limited | 68,440 | 0.00% | (31,560) | 0.02% |
| Quoromed Life Sciences Private Limited | 69,940 | 0.00% | (30,060) | 0.02% |
| Sub Total | 5,13,37,74,933 | 105.77% | (11,43,54,786) | 73.60% |
| Inter Company elimination & Consolidation adjustment | (29,70,61,796) | (6.12%) | (4,28,15,390) | 27.55% |
| Minority Interest | 1,69,49,404 | 0.35% | 17,87,443 | (1.15%) |
| | 4,85,36,62,542 | 100% | (15,53,82,733) | 100% |

52 Statement of unhedged foreign currency exposure:

| Particulars | As at 31 March 2021 | | As at 31 March 2020 | | As at 01 April 2019 | |
|-------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| | Amount in USD | Amount in INR | Amount in USD | Amount in INR | Amount in USD | Amount in INR |
| | Advance to vendors | 1,21,062 | 89,34,504 | 6,86,127 | 5,19,15,838 | 2,49,490 |

53 Disclosure of Business combination that took place subsequent to year end:-

| Name of entity | Date of acquisition | % of holding |
|--|---------------------|--------------|
| Western Healthcare Solutions Private Limited | 01-Apr-21 | 100% |
| City Pharma Distributors Private Limited | 14-Apr-21 | 100% |
| Atreja Healthcare Solutions Private Limited | 14-Apr-21 | 100% |
| New Siva Agencies Private Limited | 02-Dec-21 | 100% |
| New RRPD Private Limited | 03-Dec-21 | 100% |
| Swami Medisolutions Private Limited | 21-Dec-21 | 100% |





54 COVID 19 Note

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. On 24 March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended 31 March 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments are required to be made to the financial statements.

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

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.:105007W

Vaijayantimala Belsare
Partner
Membership No: 049902

Place: Mumbai
Date: 29 December 2021

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: 29 December 2021


Prem Sethi
Director
DIN: 07077034

Place: Mumbai
Date: 29 December 2021

