

INDEPENDENT AUDITOR'S REPORT

To the Members of Chethana Pharma Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Chethana Pharma Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 financial statements, including material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements 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 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Information Other than the 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 financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's report has not been made available to us as at the date of this auditor's report. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and except for the matters stated in paragraph 2(h)(vi) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Company has neither declared nor paid any dividend during the year.



- vi. Based on our examination which included test checks, the Company has used two accounting softwares for maintaining its books of account, in case of one accounting software which do not have a feature of recording audit trail (edit log) facility either at application level or database level. In case of another accounting software where the audit trail feature at the application level was enabled from September 2024 as explained in Note 48 to the financial statements. Accordingly, we are unable to comment whether the audit trail feature has been tampered, and whether the audit trail has been preserved by the Company as per the statutory requirements for record retention prescribed under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

Further, where enabled, audit trail feature has operated throughout the relevant period for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors during the year, is within the limits prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

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



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 25101739BMIKGE9111



Place: Mumbai
Date: 26 May 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF CHETHANA PHARMA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the 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 adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.



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

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

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



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 25101739BBIKGE9111



Place: Mumbai
Date: 26 May 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHETHANA PHARMA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2025

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

i.

(a)

A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment, and relevant details of right-of-use assets.

B. The Company has no intangible assets. Accordingly, the provisions stated under clause 3(i)(a)(B) of the Order are not applicable to the Company.

(b) Property, Plant and Equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and right of use assets have been physically verified by Management 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 provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks on the basis of security of current assets. Refer note 47 to the financial statements.

Based on the records examined by us in the normal course of audit of the financial statements, quarterly statements are filed with such Bank are not in agreement with the books of accounts of the Company. Details of the same are as below:



M.

(₹ in Million)

| Quarter Ended | Particulars | Amount as per books of accounts | Amount as per quarterly statement | Difference | Discrepancy (give details) |
|----------------|-------------|---------------------------------|-----------------------------------|------------|--|
| June 2024 | Inventory | 206.65 | 204.98 | 1.67 | Period end closing adjustments and reclassifications |
| | Creditors | 119.14 | 121.13 | (1.99) | |
| | Debtors | 244.19 | 244.19 | 0.00 | |
| September 2024 | Inventory | 222.66 | 220.23 | 2.43 | Period end closing adjustments and reclassifications |
| | Creditors | 143.76 | 147.31 | (3.55) | |
| | Debtors | 266.31 | 266.31 | (0.00) | |
| December 2024 | Inventory | 233.19 | 225.96 | 7.23 | Period end closing adjustments and reclassifications |
| | Creditors | 136.35 | 137.79 | (1.44) | |
| | Debtors | 243.56 | 243.56 | (0.00) | |
| March 2025 | Inventory | 241.21 | 241.21 | 0.00 | Year-end closing adjustments and reclassifications |
| | Creditors | 142.59 | 143.30 | (0.71) | |
| | Debtors | 228.76 | 228.96 | (0.20) | |

- iii. According to the information and explanations provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- 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 requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii.
 - (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and the records examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.



- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix.
- (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to the lender.
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the requirements to report under clause 3(ix)(c) of the Order is not applicable to the Company.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
 - (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.
 - (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the Company.
- x.
- (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi.
- (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.
 - (b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii) (a) to (c) 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, the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company. Further, the transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the reports of the Internal Auditors issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on on clause 3(xv) of the Order is not applicable to the Company.
- xvi.
- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3(xvi)(b) of the Order are not applicable to the Company.
 - (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
 - (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of the financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 46 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of subsection (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under Clause 3(xxi) of the Order is not applicable.

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



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 25101739BBIKGE9111



Place: Mumbai
Date: 26 May 2025

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHETHANA PHARMA PRIVATE LIMITED

Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Chethana Pharma Private Limited** on the Financial Statements for the year ended March 31, 2025

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

Opinion

We have audited the internal financial controls with reference to financial statements of Chethana Pharma Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



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

Meaning of Internal Financial Controls With reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

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



Amrish Vaidya
Partner
Membership No. 101739
UDIN: 25101739BBIKGE9111



Place: Mumbai
Date: 26 May 2025

Chethana Pharma Private Limited
Balance Sheet as at 31 March 2025
(Amount in Millions, unless otherwise stated)

| Particulars | Note No | As at 31 March 2025 | As at 31 March 2024 |
|---|---------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 (A) | 2.37 | 1.91 |
| Right of use assets | 5 (B) | 19.71 | 1.21 |
| Goodwill | 6 | 64.02 | 64.02 |
| Financial assets | | | |
| Other financial assets | 7 | 0.93 | 1.17 |
| Deferred tax asset (net) | 8 | 0.82 | 1.34 |
| Total non-current assets | | 87.85 | 69.65 |
| Current assets | | | |
| Inventories | 9 | 241.21 | 216.02 |
| Financial assets | | | |
| Trade receivables | 10 | 226.75 | 223.30 |
| Cash and cash equivalents | 11 | 17.38 | 0.09 |
| Bank balances other than cash and cash equivalent | 12 | - | 36.00 |
| Other financial assets | 13 | - | 0.58 |
| Other current assets | 14 | 0.63 | 2.65 |
| Total current assets | | 485.97 | 478.64 |
| Total assets | | 573.83 | 548.29 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 15 | 3.00 | 3.00 |
| Other equity | 16 | 282.88 | 218.69 |
| Total equity | | 285.88 | 221.69 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 17 | 16.95 | - |
| Provisions | 18 | 3.83 | 3.98 |
| Total non-current liabilities | | 20.78 | 3.98 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 90.00 | 135.54 |
| Lease liabilities | 17 | 3.49 | 1.26 |
| Trade payables | 20 | | |
| i) Total outstanding dues of micro enterprises and small enterprises | | 21.35 | 16.21 |
| ii) Total outstanding dues of creditors other than micro enterprise and small enterprises | | 121.24 | 129.02 |
| Other financial liabilities | 21 | 11.70 | 19.30 |
| Other current liabilities | 22 | 0.94 | 1.29 |
| Provisions | 18 | 0.89 | 0.06 |
| Current tax liabilities (net) | 23 | 17.56 | 19.94 |
| Total current liabilities | | 267.17 | 322.63 |
| Total liabilities | | 287.95 | 326.60 |
| Total equity and liabilities | | 573.83 | 548.29 |

Material accounting policies and key accounting estimates and judgements
See accompanying notes to the financial statements.

2-3
1-50

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

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

For and on behalf of the Board of Directors
Chethana Pharma Private Limited
CIN: U51909KA2019PTC123150

Amrish Vaidhya
Partner
Membership No: 101739
Place: Mumbai
Date: 26th May 2025



Praveen Mujumdar
Director
DIN: 09499164
Place: Mumbai
Date: 26th May 2025

K E Prakash
Director
DIN: 01828357
Place: Mumbai
Date: 26th May 2025



Chethana Pharma Private Limited
Statement of Profit and Loss for the year ended 31 March 2025
(Amount in Millions, unless otherwise stated)

| Particulars | Note No | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|--|---------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operation | 24 | 2,318.50 | 2,118.39 |
| Other Income | 25 | 2.36 | 1.01 |
| Total income | | 2,320.86 | 2,119.40 |
| Expenses | | | |
| Purchase of stock-in-trade | 26 | 2,123.24 | 1,952.34 |
| Changes in inventories of stock-in-trade | 27 | (25.19) | (34.47) |
| Employee benefits expense | 28 | 65.74 | 56.25 |
| Finance costs | 29 | 21.44 | 23.33 |
| Depreciation and amortization expense | 30 | 5.27 | 5.31 |
| Other expenses | 31 | 42.73 | 41.28 |
| Total expenses | | 2,233.23 | 2,044.04 |
| Profit before tax | | 87.63 | 75.36 |
| Tax expense | | | |
| Current tax | 32 | 22.86 | 38.52 |
| Deferred tax (credit)/charge | 32 | 0.53 | (3.33) |
| Total income tax expense | | 23.40 | 35.19 |
| Profit for the year | | 64.23 | 40.17 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement loss on defined benefit plan | | (0.05) | (0.20) |
| Income tax effect | | 0.01 | 0.05 |
| Total | | (0.04) | (0.15) |
| Items that will be reclassified to profit or loss | | | |
| Other comprehensive income for the year, net of tax | | (0.04) | (0.15) |
| Total comprehensive income for the year | | 64.19 | 40.02 |
| Earnings per equity share (Nominal value of share: INR 10 (31 March 2024 : INR 10)) | 33 | | |
| Basic (INR) | | 214.09 | 133.88 |
| Diluted (INR) | | 214.09 | 133.88 |
| Material accounting policies and key accounting estimates and judgements | 2-3 | | |
| 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 M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

For and on behalf of the Board of Directors of
Chethana Pharma Private Limited
CIN: U51909KA2019PTC123150

Amrisha Vaidhya

Amrisha Vaidhya
Partner
Membership No: 101739
Place: Mumbai
Date: 26th May 2025



Praveen Mujumdar

Praveen Mujumdar
Director
DIN: 09499164
Place: Mumbai
Date: 26th May 2025

K E Prakash

K E Prakash
Director
DIN: 01828357
Place: Mumbai
Date: 26th May 2025



Chethana Pharma Private Limited
Statement of cash flows for the year ended 31 March 2025
(Amount in Millions, unless otherwise stated)

| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|--|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | | |
| Profit before tax | 87.63 | 75.36 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 5.27 | 5.31 |
| Finance cost | 21.44 | 23.33 |
| Net Impairment losses on trade receivables/financial assets | 0.68 | (0.82) |
| Provision for claim receivable | 0.11 | |
| Interest income | (2.17) | (0.95) |
| Gain on termination of lease | (0.04) | |
| Interest income on unwinding of discount of security deposits | (0.07) | (0.09) |
| | 112.85 | 102.14 |
| Changes in working capital | | |
| (Increase) /Decrease in inventories | (25.19) | (34.47) |
| (Increase) in trade receivables | (4.12) | (5.49) |
| (Increase) in other financial assets | (0.03) | 0.35 |
| (Increase)/ Decrease in other current assets | 2.02 | (0.83) |
| Increase/(Decrease) in other current liabilities | (0.35) | (0.63) |
| Increase/(Decrease) in other financial liabilities | (5.25) | 10.81 |
| Increase/ (Decrease) in trade payables | (2.75) | 24.04 |
| Increase in provision for gratuity and employee benefits | 0.63 | 1.32 |
| Cash generated in operations | 77.81 | 97.24 |
| Income tax paid (net) | (25.25) | (20.60) |
| Net cash flows generated in operating activities (A) | 52.56 | 76.64 |
| Cash flow from Investing activities | | |
| Purchase of property, plant and equipment | (1.15) | (1.07) |
| Increased/(Decreased) in fixed deposits with bank having maturity more than three months | 36.00 | (36.00) |
| Interest received | 2.75 | - |
| Net cash flows generated /(used) in investing activities (B) | 37.60 | (37.07) |
| Cash flow from Financing activities | | |
| Proceeds of short-term borrowings | 34.46 | (97.43) |
| Proceeds of borrowing from related party | 120.00 | 126.00 |
| Repayment of borrowing to related party | (200.00) | (41.15) |
| Payment for Lease Liability | (4.98) | (4.35) |
| Finance costs paid | (22.34) | (23.33) |
| Net cash flows (used) in financing activities (C) | (72.86) | (40.26) |
| Net increase in cash and cash equivalents (A+B+C) | 17.30 | (0.70) |
| Cash and cash equivalents at the beginning of the year | 0.09 | 0.79 |
| Cash and cash equivalents at the end of the year | 17.38 | 0.09 |
| Cash and cash equivalents comprise (Refer note 12) | | |
| Balances with banks | | |
| In current accounts | 17.35 | 0.00 |
| Cash on hand | 0.03 | 0.09 |
| Total cash and bank balances at the end of the year | 17.38 | 0.09 |



Chethana Pharma Private Limited
Statement of cash flows for the year ended 31 March 2025
(Amount in Millions, unless otherwise stated)

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

| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|--|-------------------------------------|-------------------------------------|
| Opening balance | | |
| Cash credit facility | 35.54 | 132.97 |
| Loan from related parties | 100.00 | 15.15 |
| Interest accrued and due on borrowings | 2.75 | - |
| Total | 138.29 | 148.12 |
| Movement | | |
| Cash flows-cash credit facility | 34.46 | (97.43) |
| Loan from related parties | (80.00) | 84.85 |
| Interest paid | (15.91) | (0.31) |
| Interest expenses | 13.56 | 3.06 |
| Closing Balance | | |
| Cash credit facility | 70.00 | 35.54 |
| Loan from related parties | 20.00 | 100.00 |
| Interest accrued and due on borrowings | 0.40 | 2.75 |
| Total | 90.40 | 138.29 |

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 with an original maturity of three months or less from the date of acquisition.

Material accounting policies and key accounting estimates and judgements 2-3
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 M S K A & Associates
Chartered Accountants
Firm Registration No. 105047W

Amrish Vaidhya
Partner
Membership No: 101739
Place: Mumbai
Date: 26th May 2025



For and on behalf of the Board of Directors of
Chethana Pharma Private Limited
CIN: U51909KA2019PTC123150

Praveen Mujumdar
Director
DIN: 09499164
Place: Mumbai
Date: 26th May 2025

K E Prakash
Director
DIN: 01828357
Place: Mumbai
Date: 26th May 2025



Chethana Pharma Private Limited
Statement of changes in equity for the year ended 31 March 2025
(Amount in Millions, unless otherwise stated)

(A) Equity share capital (Refer note 16)

| Particulars | Amount |
|-----------------------------|--------|
| Balance as at 1 April 2023 | 3.00 |
| Add: issued during the year | - |
| Balance as at 31 March 2024 | 3.00 |
| Balance as at 1 April 2024 | 3.00 |
| Add: Issued during the year | - |
| Balance as at 31 March 2025 | 3.00 |

(B) Other equity (Refer note 17)

| Particulars | Reserve and surplus Retained earnings |
|---|--|
| As at 1 April 2023 | 178.67 |
| Changes during the year | |
| Profit for the year | 40.17 |
| Other comprehensive income for the year | (0.15) |
| Total comprehensive income for the year | 40.02 |
| Balance as at 31 March 2024 | 218.69 |
| As at 1 April 2024 | 218.69 |
| Changes during the year | |
| Profit for the year | 64.23 |
| Other comprehensive income for the year | (0.04) |
| Total comprehensive income for the year | 64.19 |
| Balance as at 31 March 2025 | 282.88 |

Material accounting policies and key accounting estimates and judgements

2-3

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 M S K A & Associates

Chartered Accountants

Firm Registration No. 105047W

For and on behalf of the Board of Directors of

Chethana Pharma Private Limited

CIN: U51909KA2019PTC123150

Amrisha Vaidhya

Amrisha Vaidhya

Partner

Membership No: 101739

Place: Mumbai

Date: 26th May 2025



Praveen Mujumdar

Praveen Mujumdar

Director

DIN: 09499164

Place: Mumbai

Date: 26th May 2025

K E Prakash

K E Prakash

Director

DIN: 01828357

Place: Mumbai

Date: 26th May 2025



Chethana Pharma Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2025

(Amount in Millions, unless otherwise stated)

1. Company Information:

Chethana Pharma Private Limited (the "Company") is a private limited company incorporated in India on April 03, 2019, having its registered office at 1634/1,2,3 Hadadi Road, Davanagere, Karnataka, India, 577002.

The Company is a subsidiary of Entero Healthcare Solution Limited. The Holding company of Entero Healthcare Solutions Limited is listed on National Stock Exchange (NSE) & Bombay Stock Exchange (BSE). The Company is in the business of distributions and marketing of pharmaceutical products, Surgical Products and other allied services.

2. Basis of Preparation, Measurement

Basis of Preparation

These financial statements have been prepared in accordance with the 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.

These financial statements have been prepared on an accrual basis of accounting and on a going concern basis.

All amounts have been rounded to the nearest million, unless otherwise indicated. "0.00" refers to amount less than Rs. 5,000.

Basis of Measurement

These financial statements have been prepared on a historical cost convention, except for the following material items which are measured on an alternative basis, required by relevant Ind AS, on each reporting date:-

- Certain Financial assets are measured at fair value (refer accounting policy on financial instruments);
- Employee's net Defined Benefit (assets/liability) as per actuarial valuation; and
- Liabilities for Share-based payments arrangements.

These financial statements comprise the Balance Sheet at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended 31st March 2025 and 31st March 2024;

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.

The financial statements are approved by the Board of Directors on **26 May , 2025**.



Chethana Pharma Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2025

(Amount in Millions, unless otherwise stated)

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, unless otherwise indicated.

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.

Use of Judgements and Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimates and judgements that affect the Company's accounting policies and the reported amounts of assets and liabilities at the Balance Sheet date, reported amounts of Revenue and Expenses for the year and disclosure of Contingent liabilities at the Balance Sheet date. The estimates and Judgements used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances 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 prospectively in the year in which the estimates are revised and in any future years affected.

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements, is included in the following notes:

- Note (5A): Determination of estimated useful lives of property, plant and equipment and intangible assets.
- Note (5B): Determination of discount rate and lease term for the purpose of discounting of lease payments.
- Note (8): recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and carried forward tax losses can be utilized.
- Note (9): Income taxes: Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions
- Note (35 (II) (VII)): Measurement of Defined benefit Obligations: assumptions include salary escalation rate, discount rate, expected rate of return on plan assets and mortality rates.
- Note(36): Recognition and measurement of provisions and contingencies: Key assumptions about the likelihood and magnitude of an outflow of resources embodying economic benefits.
- Note(40): Fair valuation of financial assets and liabilities. When the fair value of financial assets and liabilities cannot be measured on quoted prices in active markets, the fair value is determined using appropriate valuation techniques along with assistance from valuation experts.
- Note(41(A(i))): measurement of Expected Credit Loss (ECL) allowance for trade receivable and loans: Key assumptions in determining the weighted average loss rate.



Chethana Pharma Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2025

(Amount in Millions, unless otherwise stated)

- Note (44): Impairment of goodwill: Key assumptions underlying recoverable amounts such as estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

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 into different levels within the fair value hierarchy, described as follows, based on the level of inputs used in the valuation techniques as set out below.

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in level one and 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 based on unobservable market data.

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 satisfies any of the following criteria:

- it is expected to be realised in, or intended for sale or consumption in, the Company's normal operating cycle, which is defined to be of twelve months.
- 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 Company'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 Company 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.

3. MATERIAL ACCOUNTING POLICIES

3.1 Business Combination

Business combinations are accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at the acquisition date.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognized as capital reserve under equity.

3.2 Property, Plant and Equipment

The cost of an item of Property, Plant and Equipment is recognized as an asset if and only if, it is probable that future economic benefits associated with the item, will flow to the Company and the cost item can be measured reliably.



Chethana Pharma Private Limited**Notes forming part of the Financial Statements for the year ended 31 March 2025**

(Amount in Millions, unless otherwise stated)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises its purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located. 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. If significant parts of an item of property, plant and equipment have significant costs and different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to Property, Plant and Equipment is capitalized only when it is probable that the future economic benefits associated with that expenditure will flow to the Company and the cost of the item can be measured reliably.

Borrowing costs to the extent related/attributionable to the acquisition/construction of the 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 and Loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is calculated on the cost of items less their estimated residual values, on straight-line method over 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 | 3-6 |
| Furniture and fixtures | 10 |
| Office equipment | 5 |
| Vehicle | 8 |
| Plant and Machineries | 15 |
| Electrical Installations and Equipment | 10 |

*Leasehold improvements are amortized over the period of the lease or useful life whichever is lower.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date



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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.

3.3 Goodwill:

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed, in accordance with Ind AS 103.

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

3.4 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. Any trade discounts, rebates, input tax credit (IGST/ CGST and SGST) or any other tax credit available to the company are deducted in arriving at the purchase price.

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

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

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

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.



Chethana Pharma Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2025

(Amount in Millions, unless otherwise stated)

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

| Particulars | Useful life (years) |
|-------------------|---------------------|
| Computer software | 3-5 |

3.5 Revenue Recognition

Revenue from Sale of Goods

Revenue is recognized upon transfer of control of promised goods to customers, generally on delivery of goods at the agreed point of delivery. 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 also excludes taxes collected from customers.

Invoices are usually payable based on the credit terms agreed with customers which vary up to 90 days.

Other Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest Income is recognized 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 recognized upon completion 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.

3.6 Taxes

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

a) Current Income Tax:

Current tax comprises the expected tax payable or receivable on taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. Current tax Assets and liabilities represents the best estimates of the amounts expected to be recovered or paid to the taxation authorities. The Tax Laws and Tax rates used to compute the amounts are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the



Chethana Pharma Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2025

(Amount in Millions, unless otherwise stated)

entity has a legally enforceable right to offset the recognized balances 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when probability of future taxable profit improve.

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.

3.7 Intangible Asset Under Development

The Company capitalizes intangible asset under development for a project in accordance with the accounting policy. Initial capitalization 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 capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.



3.8 Leases

The Company as a lessee

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 commencement or on modification of the contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the company has elected not to separate non lease component and account for the lease and non lease components as a single lease component.

The Company recognizes right-of-use asset and lease liability representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and estimate an present value of costs to be incurred by the lessee in dismantling and removing the underlying asset and restoring the site on which it is located.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated using the straight-line method from the commencement date over the lease term or useful life of right-of-use asset whichever is earlier. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.



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The company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and in the statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

For leases with reasonably similar characteristics, the 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 recognize right-of-use asset and lease liability for leases of properties that are having non-cancellable lease term of less than 12 months. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.9 Inventories

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

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

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

3.10 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a Company 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

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 presented 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 recognized, then the previously recognized 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 accompanied together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the "Cash-Generating Unit" - CGU).

3.11 Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of the 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 a present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the 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 embodying economic benefits or where a reliable estimate of the obligation cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

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

3.12 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand , cash at banks and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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

3.13 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) Recognition and Initial measurement

At initial recognition, financial asset is measured at its fair value plus or minus, 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 statement of profit and loss.

(ii) Classification and 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 other 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 income and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss and recognized in other gains/ (losses). Interest income from these financial assets is included in "Other income" using the effective interest rate method.

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

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as FVTPL. For all other equity instruments, the 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.



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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 reclassification 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 months 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 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



(iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

(B) Financial liabilities

(i) Recognition and Initial measurement

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

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (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. EIR 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.

(iv) Derecognition of Financial liability

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.

3.14 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) Post employment benefit plans

(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.

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 (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.

Costs comprising service cost (including current and past service cost and gains and losses on curtailments and settlements) and net interest expense or income is recognized in profit or loss.

The obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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 defined benefit plans can be encashed only on discontinuation of service by employee.

3.15 Foreign Currency Transactions

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 recognized 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 recognized 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.

3.16 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.



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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 potential dilutive equity shares.

3.17 Share Based Payments

Share-based compensation benefits are provided to the employees via the Share based long term incentive scheme.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date represents the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Expense or credit recorded in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.18 Share capital

Incremental costs directly attributable to the issue of ordinary equity shares are recognized as deduction from equity.

3.19 Segment reporting

An operating segment is a component of Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The Key Managerial Person 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 reportable segments as per Ind AS 108 "Operating Segments".



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4. RECENT INDIAN ACCOUNTING STANDARDS (IND AS) AND PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. Ministry of Corporate Affairs ("MCA") vide notification no. G.S.R. 291 (E) dated 7th May, 2025 made amendments in the Companies (Indian Accounting Standards) Rules, 2015.

The notification explains the following:

- Exchangeable definition
- Estimating the spot exchange rate when a currency is not exchangeable into another currency.
- Disclosures requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency
- Recognition of effect of initially applying the amendments

These amendments are applicable for annual reporting periods beginning on or after 1st April 2025, with specific transitional provisions outlined.



5 (A) Property, plant and equipment

| Particulars | Gross block | | | Depreciation | | Net block |
|--------------------------|-----------------------|---------------------------|----------------------------|------------------------|--|------------------------|
| | As at 1 April 2024 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2025 | As at For the year 1 April 2024 Deductions/ Adjustments 31 March 2025 | As at 31 March 2025 |
| Owened assets | | | | | | |
| Plant and machineries | 0.40 | 0.10 | - | 0.50 | 0.04 | 0.20 |
| Furniture and fixtures | 1.06 | 0.59 | - | 1.65 | 0.17 | 0.80 |
| Office equipment | 1.48 | 0.29 | - | 1.77 | 0.23 | 1.12 |
| Computer and peripherals | 1.13 | 0.17 | - | 1.30 | 0.24 | 0.74 |
| Electrical Installations | 0.23 | - | - | 0.23 | 0.01 | 0.22 |
| Total | 4.30 | 1.15 | - | 5.45 | 0.69 | 3.07 |

| Particulars | Gross block | | | Depreciation | | Net block |
|--------------------------|-----------------------|---------------------------|----------------------------|------------------------|--|------------------------|
| | As at 1 April 2023 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2024 | As at For the year 1 April 2023 Deductions/ Adjustments 31 March 2024 | As at 31 March 2024 |
| Owened assets | | | | | | |
| Plant and machineries | 0.24 | 0.15 | - | 0.40 | 0.12 | 0.16 |
| Furniture and fixtures | 0.97 | 0.09 | - | 1.06 | 0.34 | 0.63 |
| Office equipment | 1.17 | 0.31 | - | 1.48 | 0.73 | 0.89 |
| Computer and peripherals | 0.60 | 0.52 | - | 1.13 | 0.26 | 0.50 |
| Electrical Installations | 0.23 | - | - | 0.23 | 0.13 | 0.20 |
| Total | 3.21 | 1.07 | - | 4.30 | 1.58 | 2.38 |

* There is no capital work in progress as at 31 March 2025 and 31 March 2024

5 (B) Right of use assets

| Particulars | Gross block | | | Depreciation | | Net block |
|-------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|--|------------------------|
| | As at 1 April 2024 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2025 | As at For the year 1 April 2024 Deductions/ Adjustments 31 March 2025 | As at 31 March 2025 |
| Lease assets | | | | | | |
| Right of use assets (refer note 42) | 5.72 | 22.88 | - | 28.60 | 4.51 | 8.88 |
| Total | 5.72 | 22.88 | - | 28.60 | 4.51 | 19.71 |

| Particulars | Gross block | | | Depreciation | | Net block |
|-------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|--|------------------------|
| | As at 1 April 2023 | Additions/ Adjustments | Deductions/ Adjustments | As at 31 March 2024 | As at For the year 1 April 2023 Deductions/ Adjustments 31 March 2024 | As at 31 March 2024 |
| Lease assets | | | | | | |
| Right of use assets (refer note 42) | - | 5.72 | - | 5.72 | 4.51 | 4.51 |
| Total | - | 5.72 | - | 5.72 | 4.51 | 1.21 |



6 Goodwill

Particulars

Opening balance
Addition during the year
Impairment of goodwill (refer note 43)
Closing balance

| As at 31 March 2025 | As at 31 March 2024 |
|------------------------|------------------------|
| 64.02 | 64.02 |
| - | - |
| 64.02 | 64.02 |

7 Other non-current financial assets
(Unsecured, considered goods)

Security deposits
Total

| | |
|------|------|
| 0.93 | 1.17 |
| 0.93 | 1.17 |

8 Deferred tax assets (net)

Particulars

Deferred tax asset on account of:
Right of use assets and lease liability adjustment
Gratuity & leave encashment
Allowance for Expected credit loss
Provision for claim receivable
Security deposits
Property, plant and equipment
Expenses provided but allowable in income tax on payment basis

Deferred tax liability on account of:

Others

Net deferred tax assets(Liabilities)

Net deferred tax liabilities recognized

Net deferred tax assets not recognized

| | |
|--------|--------|
| 0.18 | 0.02 |
| 1.19 | 1.02 |
| 0.51 | 0.34 |
| 0.03 | - |
| 0.07 | - |
| 0.17 | (0.03) |
| (1.33) | 0.00 |
| - | (0.01) |
| 0.82 | 1.34 |
| 0.82 | 1.34 |
| - | - |

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

Particulars

Property, plant and equipment
Expenses provided but allowable in income tax on payment basis
Right of use asset and lease liability adjustment
Provision for claim receivable
Security deposits
Gratuity & leave encashment
Allowance for Expected credit loss
Net deferred tax assets

| As at 01 April 2024 | (Charged)/ Credited to P&L | (Charged)/ Credited to OCI | As at 31 March 2025 |
|------------------------|-------------------------------|-------------------------------|------------------------|
| (0.03) | 0.20 | - | 0.17 |
| - | (1.33) | - | (1.33) |
| 0.02 | 0.16 | - | 0.18 |
| - | 0.03 | - | 0.03 |
| - | 0.07 | - | 0.07 |
| 1.02 | 0.16 | 0.01 | 1.19 |
| 0.33 | 0.17 | - | 0.51 |
| 1.34 | (0.53) | 0.01 | 0.82 |

Particulars

Property, plant and equipment
Expenses provided but allowable in Income Tax on payment basis
Right of use asset and lease liability adjustment
Gratuity & leave encashment
Allowance for Expected credit loss
Net deferred tax assets

| As at 01 April 2023 | (Charged)/ Credited to P&L | (Charged)/ Credited to OCI | As at 31 March 2024 |
|------------------------|-------------------------------|-------------------------------|------------------------|
| (3.25) | 3.22 | - | (0.03) |
| 0.03 | (0.03) | - | - |
| - | 0.02 | - | 0.02 |
| 0.63 | 0.34 | 0.05 | 1.02 |
| 0.54 | (0.21) | - | 0.33 |
| (2.05) | 3.33 | 0.05 | 1.34 |



9 Inventories

Particulars

At lower of cost or net realizable value
Stock in trade (refer note 27)
Total

| As at 31 March 2025 | As at 31 March 2024 |
|------------------------|------------------------|
| 241.21 | 216.02 |
| 241.21 | 216.02 |

10 Trade receivable

Unsecured
-Considered good
-Considered doubtful

Less: Allowance for expected credit loss
Total

Further classified as:

Receivable from related parties (refer note 41)
Receivable from others

| | |
|--------|--------|
| 226.75 | 223.30 |
| 2.01 | 1.33 |
| 228.76 | 224.63 |
| (2.01) | (1.33) |
| 226.75 | 223.30 |
| 7.81 | 7.81 |
| 218.94 | 215.49 |
| 226.75 | 223.30 |

Ageing schedule of trade receivables

As at 31 March 2025

| Particulars/Due from Date of transaction | Less Than 6 Months | 6 Months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|--------------------|--------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed trade receivable - considered good | 214.87 | 4.51 | 7.73 | (3.07) | 2.70 | 226.75 |
| (ii) Undisputed trade receivable -Which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed trade receivable - credit impaired | - | - | - | - | - | - |
| (iv) Undisputed trade receivable - considered doubtful | 0.26 | 0.01 | 0.11 | 1.58 | 0.06 | 2.01 |
| (v) Disputed trade receivable - considered good | - | - | - | - | - | - |
| (vi) Disputed trade receivable - considered doubtful | - | - | - | - | - | - |
| Less: Allowance for expected credit loss | (0.26) | (0.01) | (0.11) | (1.58) | (0.06) | (2.01) |
| Total | 214.87 | 4.51 | 7.73 | (3.07) | 2.70 | 226.75 |

As at 31 March 2024

| Particulars/Due from Date of transaction | Less Than 6 Months | 6 Months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|--|--------------------|--------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed trade receivable - considered good | 211.79 | 8.24 | 2.31 | 1.26 | (0.30) | 223.30 |
| (ii) Undisputed trade receivable -Which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed trade receivable - credit impaired | - | - | - | - | - | - |
| (iv) Undisputed trade receivable - considered doubtful | 0.22 | 0.01 | 0.12 | 0.96 | - | 1.30 |
| (v) Disputed trade receivable - considered good | - | - | - | - | - | - |
| (vi) Disputed trade receivable - considered doubtful | - | - | - | - | - | - |
| Less: Allowance for expected credit loss | (0.22) | (0.01) | (0.12) | (0.96) | - | (1.30) |
| Total | 211.79 | 8.24 | 2.31 | 1.26 | (0.30) | 223.30 |

There are no unbilled and not due receivables as at 31 March 2025 and 31 March 2024.

There are no outstanding trade receivables from any directors or other officers of the Company or any of them either severally or jointly with any other person.

11 Cash and cash equivalents

Balances with banks:
In current accounts
Cheques/drafts on hand
Cash on hand*

Total

*Amount is less than Rs. ten thousand

| As at 31 March 2025 | As at 31 March 2024 |
|------------------------|------------------------|
| 17.35 | - |
| - | 0.09 |
| 0.03 | 0.00 |
| 17.38 | 0.09 |

12 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
Total

| | |
|---|-------|
| - | 36.00 |
| - | 36.00 |

13 Other Current financial assets

Interest accrued on fixed deposit
Total

| | |
|---|------|
| - | 0.58 |
| - | 0.58 |

14 Other current assets

Prepaid expenses
Balance with government authorities
Total

| | |
|------|------|
| 0.16 | 0.07 |
| 0.47 | 2.58 |
| 0.63 | 2.65 |



15 Equity share capital

Particulars

As at
31 March 2025

As at
31 March 2024

a. Authorised Share Capital

5,00,000 (31 March 2024: 5,00,000) Equity Shares of INR 10 each
Total

5.00 5.00
5.00 5.00

b. Issued, Subscribed and Paid-up:

3,00,000 (31 March 2024: 3,00,000) Equity Shares of INR 10 each fully paid up
Total

3.00 3.00
3.00 3.00

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

Particulars

As at
31 March 2025

As at
31 March 2024

| No of shares | Amount | No of shares | Amount |
|--------------|--------|--------------|--------|
| 3,00,000 | 3.00 | 3,00,000 | 3.00 |
| | | | |
| 3,00,000 | 3.00 | 3,00,000 | 3.00 |

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

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. Shares held by holding Company

| Name of the shareholder | As at 31 March 2025 | | As at 31 March 2024 | |
|---|------------------------|------|------------------------|------|
| | No of shares | % | No of shares | % |
| Holding Company Entero Healthcare Solutions Limited including shares held by nominee | 3,00,000 | 100% | 3,00,000 | 100% |

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. 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 2025 | | As at 31 March 2024 | |
|--|------------------------|------|------------------------|------|
| | No of shares | % | No of shares | % |
| Entero Healthcare Solutions Limited including shares held by nominee | 3,00,000 | 100% | 3,00,000 | 100% |

g. Shareholding of Promoters at the end of the year.

| Name of the Promoter | As at 31 March 2025 | | | As at 31 March 2024 | | |
|--------------------------------------|------------------------|-------------------|--------------------------|------------------------|-------------------|--------------------------|
| | No. of Share | % of Total Shares | % Change During the year | No. of Share | % of Total Shares | % Change During the year |
| Entero Healthcare Solutions Limited* | 3,00,000 | 100% | - | 3,00,000 | 100% | - |

*Out of total 300,000 equity shares, Mr. Prabhat Agrawal holds 1 equity share i.e. 0.00% of total shares, as nominee of Entero Healthcare Solutions Limited.

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

i. No class of shares have been bought back by the Company during the year of five year immediately preceding the current year end.

16 Other equity

Particulars

As at
31 March 2025

As at
31 March 2024

Retained Earnings

Opening balance
Add: Net profit for the current year
Less: Re-measurement loss on post employment benefit obligation (net of tax)
Closing balance

218.69 178.67
64.23 40.17
(0.04) (0.15)
282.88 218.69

Nature and purpose of reserve

Retained earnings:

Retained earnings represents the Company's undistributed earnings after taxes. Retained earnings includes re-measurement gain/(loss) on defined benefit obligations, net of taxes that will not be reclassified to Profit and Loss.



17 Lease liability

Particulars

At amortised cost
Lease liability (refer note 43)
Total

| As at 31 March 2025 | | As at 31 March 2024 | |
|------------------------|---------|------------------------|---------|
| Non Current | Current | Non Current | Current |
| 16.95 | 3.49 | - | 1.26 |
| 16.95 | 3.49 | - | 1.26 |

18 Provisions

Particulars

Provision for employee benefits (refer note 35)
Provision for gratuity
Total

| As at 31 March 2025 | | As at 31 March 2024 | |
|------------------------|---------|------------------------|---------|
| Non Current | Current | Non Current | Current |
| 3.83 | 0.89 | 3.98 | 0.06 |
| 3.83 | 0.89 | 3.98 | 0.06 |

19 Borrowings

Particulars

Secured, from Bank:
Cash credit/ Working capital demand loan*

Other Loans & advances(unsecured)
Loans and advances from related parties** (refer note 42)

| As at 31 March 2025 | | As at 31 March 2024 | |
|------------------------|---------|------------------------|---------|
| Non Current | Current | Non Current | Current |
| - | 70.00 | - | 35.54 |
| - | 20.00 | - | 100.00 |
| - | 90.00 | - | 135.54 |

*Cash credit/ Working capital demand loan

The Company has obtained Cash Credit and Working Capital Demand Loan facility from Axis Bank Limited as below:

Cash credit facility: interest rate of 3 Month MCLR + 1.3% p.a. (31 March 2024 : 3 months MCLR + 1.9% p.a.).

Working Capital Demand Loan: interest rate at 1 Month MCLR (31 March 2024: Nil)

The total amount of facility is Rs 180 million (31 March 2024 : Rs. 180 Million).

The said facility is secured by an exclusive charge on the entire current assets being present or future of the Company, being present and future. This facility is additionally secured by Corporate Guarantee of Entero Healthcare Solutions Limited, the holding company.

**Loan from related party

The company has availed unsecured short term/ long term loan from Holding Company to be repayable on demand and over a period of 5 years, respectively. These loans carry an interest rate of 9.00% p.a.(31 March 2024: 13.00% p.a.)

20 Trade payables

Particulars

Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises*
Total

| As at 31 March 2025 | As at 31 March 2024 |
|------------------------|------------------------|
| 21.35 | 16.21 |
| 121.24 | 129.02 |
| 142.59 | 145.23 |

* Refer note 42 for trade payables to related parties

Trade payable ageing schedule

As at 31 March 2025

| Particulars | Payables not due | Outstanding for following years from the date of transaction | | | | Total |
|------------------------|------------------|--|-----------|-----------|-------------------|--------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | 20.17 | 0.16 | - | 1.02 | 21.35 |
| Other | - | 118.82 | - | - | 2.42 | 121.24 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| Total | - | 138.99 | 0.16 | - | 3.44 | 142.59 |

As at 31 March 2024

| Particulars | Payables not due | Outstanding for following years from the date of transaction | | | | Total |
|------------------------|------------------|--|-----------|-----------|-------------------|--------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | - | 16.21 | - | - | - | 16.21 |
| Other | - | 123.56 | 2.61 | 2.85 | - | 129.02 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |
| Total | - | 139.78 | 2.61 | 2.85 | - | 145.23 |



Chethana Pharma Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2025
(Amount in Millions, unless otherwise stated)

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

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | | |
| Principal | 21.35 | 16.21 |
| Total | 21.35 | 16.21 |
| (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 year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under 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. | - | - |

21 Other financial liabilities

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Other financial liabilities at amortised cost | | |
| Employee liabilities | 8.64 | 8.24 |
| Other payables | 2.66 | 8.31 |
| Interest accrued and due on borrowings | 0.40 | 2.75 |
| Total | 11.70 | 19.30 |

22 Other current liabilities

| | | |
|-----------------------|-------------|-------------|
| Statutory due payable | 0.94 | 1.29 |
| Total | 0.94 | 1.29 |

23 Current tax liability (net)

| | | |
|--------------------------------------|--------------|--------------|
| Provision for tax net of advance tax | 17.56 | 19.94 |
| Total | 17.56 | 19.94 |



Chethana Pharma Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2025
(Amount in Millions, unless otherwise stated)

24 Revenue from operations

Particulars

Sale of traded goods
Other operating income
Total

Analysis of revenues by segments
Trading of pharmaceutical products

Revenue based on geography
Domestic
Export

Revenue based on timing of recognition
Revenue recognition at a point in time
Revenue recognition over year of time
Total

| For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-------------------------------------|-------------------------------------|
| 2,311.70 | 2,112.45 |
| 6.80 | 5.94 |
| 2,318.50 | 2,118.39 |

2,318.50 2,118.39

2,318.50 2,118.39

- -

2,318.50 2,118.39

2,318.50 **2,118.39**

25 Other income

Interest income on unwinding of discount of security deposits
Interest income on fixed deposit
Gain on termination of Lease
Miscellaneous income
Total

0.07 0.09
2.17 0.95
0.04 -
0.08 (0.03)
2.36 **1.01**

26 Purchase of stock-in-trade

Purchases of stock-in-trade
Total

2,123.24 1,952.34
2,123.24 **1,952.34**

27 Changes in inventories of stock-in-trade

Inventories at the Beginning of the year
-Stock in trade

216.02 181.55
216.02 **181.55**

Less: Inventories at the end of the year
-Stock in trade (Refer note 10)

(241.21) (216.02)
(241.21) **(216.02)**

Net decrease/ (increase)

(25.19) **(34.47)**

28 Employee benefits expense

Salaries, bonus and other allowances
Contribution to provident fund and other funds
Gratuity and compensated absences expenses (refer note 35)
Staff welfare expenses
Total

58.43 49.41
4.45 4.05
1.85 1.32
1.01 1.47
65.74 **56.25**

29 Finance costs

(i) Interest on borrowings

On Loan from holding company (refer note 42)
On CC Account

5.45 3.06
8.11 13.49

(ii) Others

Bank charges
Processing fees
Corporate gurantee commission
Interest on lease liabilities
On delayed payments

4.34 4.61
- 1.83
1.80 -
1.46 0.33
0.28 0.01

Total

21.44 **23.33**

30 Depreciation and amortization expense

Depreciation on property, plant and equipment (refer note 5(A))
Depreciation on right to use assets (refer note 5(B))
Total

0.69 0.80
4.58 4.51
5.27 **5.31**



31 Other expenses

| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|-------------------------------------|-------------------------------------|
| Rent | 0.18 | 0.04 |
| Legal and professional charges | 1.04 | 0.35 |
| Travelling and conveyance expenses | 6.83 | 6.38 |
| Power and fuel | 1.10 | 1.11 |
| Repairs and maintenance | 0.96 | 0.74 |
| Distribution cost | 21.89 | 19.04 |
| Printing and stationery | 2.83 | 2.72 |
| Communication expenses | 0.78 | 0.75 |
| Net impairment losses on trade receivables/financial assets | 0.68 | (0.82) |
| Business promotion expenses | 0.18 | 0.20 |
| Business support charges (refer note 42) | 2.90 | 7.88 |
| Office expenses | 0.36 | 0.27 |
| Auditor's remuneration (refer note below) | 0.49 | 0.60 |
| Insurance | 0.26 | 0.18 |
| Miscellaneous expenses | 0.61 | 0.42 |
| Provision for claim receivable | 0.11 | - |
| Corporate social responsibility expenses | 1.53 | 1.42 |
| Total | 42.73 | 41.28 |

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

| Particulars | | |
|----------------------|-------------|-------------|
| As auditor: | | |
| Statutory audit fees | 0.49 | 0.60 |
| Total | 0.49 | 0.60 |

32 Income Tax

| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|---|---|
| Current tax | | |
| Current tax on profits for the year | 22.11 | 38.52 |
| Tax expense related to prior years | 0.75 | - |
| Total current tax expense | 22.86 | 38.52 |
| Deferred tax charge / (income) | 0.52 | (3.33) |
| Total tax expense | 23.38 | 35.19 |
| Reconciliation of effective tax rate: | | |
| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
| Profit before income tax expense | 87.63 | 75.36 |
| Enacted income tax rate in India applicable to the Company 25.168% (31 March 2024: 25.168%) | 22.05 | 18.97 |
| Tax effect of: | | |
| Permanent Disallowances | (0.07) | - |
| Others | 0.65 | 16.22 |
| Tax in respect of earlier year | 0.75 | - |
| Total tax expense | 23.38 | 35.19 |
| | 26.69% | 46.70% |

33 Earnings per share

Earning per share amounts are calculated by dividing the earning for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit attributable to the equity holders of the Company (A) | 64.23 | 40.17 |
| Weighted Average number of shares issued for Basic and Diluted EPS (B) | 3,00,000 | 3,00,000 |
| Adjustment for calculation of Diluted EPS (c) | - | - |
| Weighted Average number of shares issued for Diluted EPS (D= B+C) | 3,00,000 | 3,00,000 |
| Basic EPS in INR | 214.09 | 133.88 |
| Diluted EPS in INR | 214.09 | 133.88 |



34 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 year towards defined contribution plan -

Particulars

Contribution to Provident Fund
Employers Contribution to Employee state insurance
Employers Contribution to Labour welfare fund

| For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-------------------------------------|-------------------------------------|
| 3.32 | 3.01 |
| 1.12 | 1.04 |
| 0.01 | 0.01 |

II. Defined benefit plans

Gratuity

The Company has an funded Gratuity Scheme (unfunded gratuity scheme as at 31 March 2024) 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

I Expenses recognised in statement of profit and loss during the year:

Current service cost
Net interest cost / (income) on the net defined benefit liability / (asset)
Total expenses

| For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|-------------------------------------|-------------------------------------|
| Gratuity (Funded) | Gratuity (Unfunded) |
| 1.51 | 1.10 |
| 0.34 | 0.22 |
| 1.85 | 1.32 |

II Expenses recognised in other comprehensive income

Amount recognized in OCI, Beginning of year
Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations
Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations
Actuarial (gains)/ losses due to experience on defined benefit obligations
Total remeasurements recognized in OCI
Amount recognized in OCI, end of year

| | |
|--------|--------|
| (0.01) | (0.21) |
| - | - |
| 0.13 | 0.03 |
| (0.07) | 0.17 |
| 0.05 | 0.20 |
| 0.04 | (0.01) |

III Movements in present value of defined benefit obligation

Present value of defined benefit obligation at the beginning of the year
Current service cost
Interest cost
Actuarial gains
Benefits paid
Present value of defined benefit obligation at the end of the year

| | |
|------|------|
| 4.04 | 2.52 |
| 1.51 | 1.10 |
| 0.34 | 0.22 |
| 0.05 | 0.20 |
| 0.00 | 0.00 |
| 5.94 | 4.04 |

IV Movement in future plan assets

Fair value of Plan Assets, Beginning of Year
Actual Company Contributions
Fair value of Plan Assets, End of Year

| | |
|--------|---|
| - | - |
| (1.21) | - |
| (1.21) | - |



V The major categories of plan assets as a percentage of fair value of total plan assets are as follows:

Policy of insurance* 100%

* As the gratuity fund is managed by life insurance companies, details of fund invested by insurer are not available with the Company.

VI Net asset /(liability) recognised as at balance sheet date:

| | | |
|---|-------------|-------------|
| Present value of defined benefit obligation | 5.94 | 4.03 |
| Fair value of plan assets | (1.21) | - |
| Total | 4.73 | 4.03 |

VII Maturity profile of defined benefit obligation

Expected cash flows for future years (valued on undiscounted basis):

| | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---------------------------|-------------------------------------|-------------------------------------|
| 1st Following year | 0.93 | 0.06 |
| 2nd Following year | 0.92 | 0.67 |
| 3rd Following year | 0.84 | 0.71 |
| 4th Following year | 0.79 | 0.64 |
| 5th Following year | 0.72 | 0.60 |
| Sum of years 6 To 10 | 2.45 | 2.04 |
| Sum of years 11 and above | 1.92 | 1.62 |

VIII 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 | | |
| (i) +1% increase in discount rate | (0.27) | (0.21) |
| (ii) -1% decrease in discount rate | 0.29 | 0.23 |
| (iii) +1% increase in rate of salary increase | 0.31 | 0.24 |
| (iv) -1% decrease in rate of salary increase | (0.29) | (0.22) |

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 year, 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 year, 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.

IX Actuarial assumptions:

| | As at 31 March 2025 | As at 31 March 2024 |
|------------------------------------|-------------------------|-------------------------|
| 1 Expected Return on Plan Assets | 7.13% | NA |
| 1 Discount rate | 6.66% | 7.13% |
| 2 Expected rate of salary increase | 8.00% | 8.00% |
| 3 Withdrawal Rate | 20.00% | 20.00% |
| 4 Mortality Rate During Employment | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |
| 5 Retirement Age | 58 years | 58 years |

X Asset-Liability matching category

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). Any deficit in the policy assets is funded by the Company. The policy helps mitigate the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).



35 Contingent liabilities & commitments

(i) There are no contingent liabilities & commitments as at 31 March 2025 and 31 March 2024.

(ii) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952 and deal with it accordingly. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Standalone Financial Statements.

36 Segment reporting

An operating segment is a component of Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The Key Managerial Personnel 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".

37 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. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025 and 31 March 2024. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows.

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Borrowings | | |
| Long term borrowings | - | - |
| Short term borrowings | 90.00 | 135.54 |
| Less: cash and cash equivalents | (17.38) | (0.09) |
| Adjusted net debt | 72.62 | 135.46 |
| Total Equity | 285.88 | 221.69 |
| Adjusted net debt to equity ratio | 0.25 | 0.61 |

38 Events after reporting date

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



39 Fair value measurements

A. Accounting classification and fair values

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

| Particulars | Carrying Amount | | | |
|---|-----------------|--------|----------------|--------|
| | FVTPL | FVTOCI | Amortized Cost | Total |
| Financial assets and liabilities as at 31 March 2025 | | | | |
| Non-current financial assets | | | | |
| Other financial assets | - | - | 0.93 | 0.93 |
| Current financial assets | | | | |
| Trade receivables | - | - | 226.75 | 226.75 |
| Cash and cash equivalents | - | - | 17.38 | 17.38 |
| Total | - | - | 245.06 | 245.06 |

Non-current financial liabilities

Current financial liabilities

| | | | | |
|-----------------------------|---|---|--------|--------|
| Borrowings | - | - | 90.00 | 90.00 |
| Trade payables | - | - | 142.59 | 142.59 |
| Other financial liabilities | - | - | 11.70 | 11.70 |
| Lease Liabilities | - | - | 3.49 | 3.49 |
| Total | - | - | 244.29 | 244.29 |

| Particulars | Carrying Amount | | | |
|---|-----------------|--------|----------------|--------|
| | FVTPL | FVTOCI | Amortized Cost | Total |
| Financial assets and liabilities as at 31 March 2024 | | | | |
| Current financial assets | | | | |
| Trade receivables | - | - | 223.30 | 223.30 |
| Other financial assets | - | - | 1.19 | 1.19 |
| Cash and Cash equivalent | - | - | 0.78 | 0.78 |
| Total | - | - | 225.27 | 225.27 |
| Current financial liabilities | | | | |
| Borrowings | - | - | 135.54 | 135.54 |
| Trade payables | - | - | 145.24 | 145.24 |
| Other financial liabilities | - | - | 19.30 | 19.30 |
| Total | - | - | 300.07 | 300.07 |

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

C. Fair Value Hierarchy

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

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

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.



Chethana Pharma Private Limited**Notes forming part of the Financial Statements for the year ended 31 March 2025**

(Amount in Millions, unless otherwise stated)

40 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
- 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 classification of the outstanding balances from various customers is as follows:

| Particulars | As at 31 March 2025 | As at 31 March 2024 |
|--|------------------------|------------------------|
| Unsecured | | |
| -Considered good | 226.75 | 223.30 |
| -Considered doubtful | 2.01 | 1.33 |
| Gross Trade Receivables | 228.76 | 224.63 |
| Less: Allowance for expected credit loss | (2.01) | (1.33) |
| Net Trade Receivables | 226.75 | 223.30 |

The company uses expected credit loss model to assess the impairment loss as per Ind AS 109. 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) Cash and bank balances

The Company held cash and cash equivalent and other bank balance of Rs. 17.38 millions as at March 31, 2025 (March 31, 2024: Rs. 36.09 millions). The same are held with bank and financial institution counterparties with good credit rating.

iii) 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.

**Contractual maturities of financial liabilities
as at 31 March 2025**

| | 1 year or less | 1-5 years | More than 5 years | Total |
|-----------------------------|----------------|--------------|-------------------|---------------|
| Lease Liabilities* | 5.30 | 19.94 | - | 25.24 |
| Short term borrowings | 90.00 | - | - | 90.00 |
| Trade payables | 142.59 | - | - | 142.59 |
| Other financial liabilities | 11.70 | - | - | 11.70 |
| Total | 249.59 | 19.94 | - | 269.53 |

**Contractual maturities of financial liabilities
as at 31 March 2024**

| | 1 year or less | 1-5 years | More than 5 years | Total |
|-----------------------------|----------------|-----------|-------------------|---------------|
| Lease Liabilities* | 1.28 | - | - | 1.28 |
| Short term borrowings | 135.54 | - | - | 135.54 |
| Trade payables | 145.24 | - | - | 145.24 |
| Other financial liabilities | 19.30 | - | - | 19.30 |
| Total | 301.35 | - | - | 301.35 |

*The outflows undiscounted in above table represents the total contracted undiscounted cash flows.

(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. The exposure of the Company's borrowing to interest rate changes at the end of the reporting year are as follows:

Particulars

| | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------|------------------------|------------------------|
| Variable rate borrowings | 70.00 | 35.54 |
| Fixed rate borrowings | 20.00 | 100.00 |

Sensitivity:

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

Particulars

| | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| Interest rates – increase by 100 basis points | 0.52 | 0.26 |
| Interest rates – decrease by 100 basis points | (0.52) | (0.26) |

*Holding all other variables constant



41 Related Party Disclosures

A. Names of related parties and nature of relationship:

| Description of relationship | Name of the related party |
|--------------------------------------|---|
| Holding Company | Entero Healthcare Solutions Private Limited |
| Fellow Subsidiary companies | Atreja Healthcare Solutions Private Limited |
| | Avenir Lifecare Pharma Private Limited |
| | Avenues Pharma Distributors Private Limited |
| | Barros Enterprises Private Limited |
| | Calcutta Medisolutions Private Limited |
| | Chethana Healthcare Solutions Private Limited |
| | Chethana Pharma Distributors Private Limited |
| | Chhabra Healthcare Solutions Private Limited |
| | Chirag Medicare Solutions Private Limited |
| | City Pharma Distributors Private Limited |
| | CPD Pharma Private Limited |
| | Curever Pharma Private Limited |
| | Devi Pharma Wellness Private Limited |
| | Dhanvanthari Super Speciality Private Limited |
| | Entero RS Enterprises Private Limited |
| | G.S.Pharmaceutical Distributors Private Limited |
| | Galaxystar Pharma Distributors Private Limited |
| | Getwell Medicare Solution Private Limited |
| | Gourav Medical Agencies Private Limited |
| | Jaggi Enterprises Private Limited |
| | Millennium Medisolutions Private Limited |
| | New RRPD Private Limited |
| | New Siva Agencies Private Limited |
| | Novacare Healthcare Solutions Private Limited |
| | Peerless Biotech Private Limited |
| | R S M Pharma Private Limited |
| | Rada Medisolutions Private Limited |
| | S.S. Pharma Traders Private Limited |
| | Sai pharma distributors Private Limited |
| | Saurashtra Medisolutions Private Limited |
| | Sesha Balajee Medisolutions Private Limited |
| | Sree Venkateshwara Medisolutions Private Limited |
| | Sri Parshva Pharma Distributors Private Limited |
| | Sri Rama Pharmaceutical Distributors Private Limited |
| | Srinivasa Lifecare Private Limited |
| | Sundarlal Pharma Distributors Private Limited |
| | Suprabhat Pharmaceuticals Private Limited |
| | SVMED Solutions Private Limited |
| | SVS Lifesciences Private Limited |
| | Swami Medisolutions Private Limited |
| | Vasavi Medicare Solutions Private Limited |
| | Western Healthcare Solutions Private Limited |
| | Ujjain Maheshwari Pharma Distributors Private Limited |
| | Quomed Lifesciences Private Limited |
| | Rimedio Pharma Private Limited |
| | Zennx Software Solutions Private Limited |
| Key Management Personnel (Directors) | K E Prakash (Whole time Director) Praveen Mujumdar Rao Arun Sadhanandham (Resigned w.e.f. 19 October 2023) Prem Sethi (Resigned w.e.f. 19 October 2023) Prabhat Agrawal |
| Entities under common control | Evaevo Lifescience Private Limited Chethana Medical |



B. Details of related party transactions:

| Nature of Transaction | Name of the related party | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|--|-------------------------------------|-------------------------------------|
| Purchase of stock in trade (net of purchase return) | Entero Healthcare Solutions Private Limited | 45.29 | 19.89 |
| | Novacare Healthcare Solutions Private Limited | 1.49 | 1.71 |
| | G.S.Pharmaceutical Distributors Private Limited | (0.07) | 1.04 |
| | Avenues Pharma Distributors Private Limited | 0.05 | 0.60 |
| | Galaxystar Pharma Distributors Private Limited | 0.71 | 0.30 |
| | Chethana Healthcare Solutions Private Limited | 0.66 | 0.08 |
| | Chethana Pharma Distributors Private Limited | (0.02) | 9.34 |
| | Chirag Medicare Solutions Private Limited | 59.84 | 46.23 |
| | Millennium Medisolutions Private Limited | - | 0.03 |
| | Vasavi Medicare Solutions Private Limited | - | 0.07 |
| | Sree Venkateshwara Medisolutions Private Limited | - | 1.05 |
| | Evaevo Lifescience Private Limited | 0.23 | - |
| | Chhabra Healthcare Solutions Private Limited | 0.10 | - |
| | New RRPD Private Limited | 0.01 | - |
| | Peerless Biotech Private Limited | 0.31 | - |
| | Sree Venkateshwara Medisolutions Private Limited | 0.02 | - |
| Sale of stock in trade (net of sale return) | Chirag Medicare Solutions Private Limited | 65.98 | 68.30 |
| | R S M Pharma Private Limited | - | 0.03 |
| | Chethana Healthcare Solutions Private Limited | 8.64 | 9.12 |
| | City Pharma Distributors Private Limited | (0.12) | 0.49 |
| | Chethana Pharma Distributors Private Limited | (0.07) | 5.69 |
| | Avenues Pharma Distributors Private Limited | - | 0.04 |
| | Vasavi Medicare Solutions Private Limited | - | 0.01 |
| | New RRPD Private Limited | 0.02 | - |
| | Rada Medisolutions Private Limited | 0.07 | - |
| | Sree Venkateshwara Medisolutions Private Limited | 0.07 | - |
| Business Support charges | Entero Healthcare Solutions Limited | 9.39 | 7.88 |
| Reimbursement of expenses | K E Prakash | 0.52 | - |
| Rent Expenses | K E Prakash | 3.64 | 3.47 |
| Incentives | K E Prakash | - | 0.10 |
| Interest Expense | Entero Healthcare Solutions Private Limited | 5.45 | 3.06 |
| Remuneration Paid | K E Prakash | 3.60 | 3.60 |
| Loan Taken | Entero Healthcare Solutions Private Limited | 120.00 | 126.00 |
| Loans Repaid | Entero Healthcare Solutions Private Limited | 200.00 | 41.15 |
| Purchase of Fixed Asset | Chethana Pharma Distributors Private Limited | 0.03 | - |
| Corporate Guarantees Taken | Entero Healthcare Solutions Private Limited | 180.00 | 180.00 |
| Corporate Guarantee Commission Expenses | Entero Healthcare Solutions Private Limited | 1.80 | - |

C. Details of balances outstanding for related party transactions:

| Nature of Transaction | Name of the related party | As at 31 March 2025 | As at 31 March 2024 |
|-----------------------|--|------------------------|------------------------|
| Loan Taken | Entero Healthcare Solutions Private Limited | 20.00 | 100.00 |
| Rent Expense payable | K E Prakash | 0.45 | - |
| Interest Payable | Entero Healthcare Solutions Private Limited | 0.40 | 2.75 |
| Trade Receivables | Chethana Pharma Distributors Private Limited | 6.43 | 7.27 |
| | City Pharma Distributors Private Limited | - | 0.54 |



Chethana Pharma Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2025
(Amount in Millions, unless otherwise stated)

| | | | |
|-----------------------------------|---|--------|--------|
| Trade Payables | Novacare Healthcare Solutions Private Limited | 0.12 | 0.11 |
| | Curever Pharma Private Limited | (0.04) | (0.04) |
| | Entero Healthcare Solutions Limited | 11.34 | 3.13 |
| | G.S. Pharmaceuticals Distributors Private Limited | - | (0.06) |
| | Evaevo Lifescience Private Limited | 0.15 | - |
| | Chethana Medical | (0.01) | - |
| | Sree Venkateshwara Medisolutions Private Limited | 0.03 | - |
| | Chethana Pharma Distributors Private Limited | 0.04 | - |
| | Peerless Biotech Private Limited | 0.23 | - |
| | | | |
| Business Support charges | Entero Healthcare Solutions Limited | 2.11 | 7.88 |
| | | | |
| Corporate Guarantees Taken | Entero Healthcare Solutions Private Limited | 180.00 | 35.54 |

D. Key management personnel compensation:

Particulars

Director Remuneration:
Salaries and Allowances

| | As at 31 March 2025 | As at 31 March 2024 |
|---|------------------------|------------------------|
| Director Remuneration: Salaries and Allowances | 3.60 | 3.60 |

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.



42 Disclosure related to leases

Company as lessee

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

Particulars

Balance at the beginning of the year

Additions

Deduction/ Modification

Depreciation charge for the year

Balance at the end of the year

| | As at 31 March 2025 | As at 31 March 2024 |
|--------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 1.21 | - |
| Additions | 22.88 | 5.72 |
| Deduction/ Modification | 0.21 | - |
| Depreciation charge for the year | (4.58) | (4.51) |
| Balance at the end of the year | 19.71 | 1.21 |

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

Balance at the beginning of the year

Additions

Deletion

Payment of lease liabilities

Finance cost during the year

Balance at the end of the year

| | | |
|--------------------------------------|--------|--------|
| Balance at the beginning of the year | 1.26 | - |
| Additions | 22.88 | 5.61 |
| Deletion | (0.17) | - |
| Payment of lease liabilities | (4.98) | (4.68) |
| Finance cost during the year | 1.46 | 0.33 |
| Balance at the end of the year | 20.44 | 1.26 |

(C) Maturity analysis of lease liabilities

Less than one year

One to five years

More than five years

Total undiscounted lease liabilities at reporting year end

Lease liabilities included in the statement of financial position at the year end

| | | |
|---|-------|------|
| Less than one year | 5.30 | 1.28 |
| One to five years | 19.94 | - |
| More than five years | - | - |
| Total undiscounted lease liabilities at reporting year end | 25.24 | 1.28 |
| Lease liabilities included in the statement of financial position at the year end | 20.44 | 1.26 |

(D) Amounts recognised in statement of profit or loss

Interest on lease liabilities

Expenses relating to short-term leases

Depreciation of Right of use assets

| | | |
|--|------|------|
| Interest on lease liabilities | 1.46 | 0.33 |
| Expenses relating to short-term leases | - | 0.00 |
| Depreciation of Right of use assets | 4.58 | 6.57 |

(E) Amounts recognised in the statement of cash flows

Total Cash outflow for leases

| | | |
|-------------------------------|------|------|
| Total Cash outflow for leases | 4.98 | 4.68 |
|-------------------------------|------|------|

43 Impairment testing of Goodwill

Goodwill is tested for impairment every year. Company operates in single segment/ 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 asset (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 used in the valuation technique.

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

Discount rate

Terminal value growth rate

Revenue growth rate

| | As at 31 March 2025 | As at 31 March 2024 |
|----------------------------|------------------------|------------------------|
| Discount rate | 13.98% | 16.09% |
| Terminal value growth rate | 5.00% | 5.00% |
| Revenue growth rate | 15.00% | 15.00% |

With regard to assessment of recoverable amount, no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to exceed their recoverable amount.

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 goodwill to exceed its value in use.



As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities is Charity, A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

| | | | |
|-------|--|------|------|
| 44.02 | Amount approved by the Board to be spent during the year | 1.53 | 1.42 |
|-------|--|------|------|

| Amount spent during the year on | |
|--|------|
| (i) Construction/acquisition of an asset | - |
| (ii) On purchases other than (i) above | 1.53 |
| (iii) On purchases other than (i) above | 1.42 |

| Details related to amount spent | | |
|---|-------------------------------------|-------------------------------------|
| Particulars | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
| Contribution to Charitable Trust | - | - |
| Contribution to Prime minister national relief fund | 1.53 | 1.42 |
| Accrual towards unspent obligations in relation to: | - | - |
| Ongoing projects | - | - |
| Other than Ongoing projects | - | - |
| TOTAL | 1.53 | 1.42 |

44.05 Details of CSR expenditure in respect of other than ongoing projects

| Nature of Activity | Balance unspent as at 1 April 2024 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at 31 March 2025 |
|--------------------------------------|------------------------------------|---|---|------------------------------|-------------------------------------|
| Prime minister national relief funds | - | - | 1.53 | (1.53) | - |

| Nature of Activity | Balance unspent as at 1 April 2023 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at 31 March 2024 |
|--------------------|------------------------------------|---|---|------------------------------|-------------------------------------|
| Charity | - | - | 1.42 | (1.42) | - |

| Disclosures on Shortfall | | For the year ended 31 March 2025 | For the year ended 31 March 2024 |
|---|--|-------------------------------------|-------------------------------------|
| Particulars | | | |
| Amount Required to be spent by the Company during the year | | 1.53 | 1.42 |
| Actual Amount Spent by the Company during the year | | 1.53 | 1.42 |
| Shortfall at the end of the year | | - | - |
| Total of previous years shortfall | | - | - |
| Reason for shortfall - State reasons for shortfall in accordance with | | - | - |

- 45 Statement of unhedged foreign currency exposure:
The Company does not have any unhedged foreign currency exposure as on 31 March 2025 and 31 March 2024.

46 Ratio Analysis

| Particulars | Numerator | Denominator | 31-Mar-25 | 31-Mar-24 | Variance (%) | Reason for variance |
|--------------------------------------|-------------------------------------|--|-----------|-----------|--------------|---|
| a) Current Ratio | Current Assets | Current Liabilities | 1.82 | 1.48 | 22.60% | Increased due to repayment of current borrowing |
| (b) Debt-Equity Ratio | Short term and long term borrowings | Total Equity | 0.31 | 0.61 | (48.51%) | Ratio decreased due to higher earnings and lower borrowings |
| (c) Debt Service Coverage Ratio | Earning before Interest and Tax | Debt Service | 5.22 | 4.41 | 18.30% | |
| (d) Return on Equity Ratio | Net Profit After Tax | Average Shareholders' fund | 25.31% | 19.92% | 27.07% | Increase due to Higher Profit After Tax in current Financial Year |
| (e) Inventory turnover ratio | Cost of goods sold | Average Inventory | 9.18 | 9.65 | (4.88%) | |
| (f) Trade Receivables turnover ratio | Net credit sales | Average Trade receivables | 10.31 | 9.63 | 7.13% | |
| (g) Trade payables turnover ratio | Credit purchases | Average Trade payable | 14.75 | 14.66 | 0.67% | |
| (h) Net capital turnover ratio | Sales | Working Capital (Current Assets-Current Liabilities) | 10.61 | 13.58 | (21.91%) | |
| (i) Net profit ratio | Net profit after tax | Net Sales | 2.77% | 1.90% | 46.09% | increased due to increase in Profit after tax |
| (j) Return on Capital employed | Earning before Interest and Tax | Average Capital Employed | 35.27% | 34.82% | 1.29% | |
| (k) Return on investment* | NA | | | | | |

*Return on investment ratio is not relevant for the company as it does not any investment.

47 Reconciliation of quarterly returns or statements filed with banks or financial institutions

| Quarter | Name of Bank | Particulars | Amount as per books of account | Amount as reported in the quarterly return/ statement | Difference | Reason for material discrepancies |
|---------|---------------|-------------|--------------------------------|---|------------|---|
| Jun 24 | Axis Bank Ltd | Inventory | 206.65 | 204.98 | 1.67 | Period end closing adjustments and reclassification |
| | | Creditors | 119.14 | 121.13 | (1.99) | |
| | | Debtors | 244.19 | 244.19 | (0.00) | |
| Sep-24 | Axis Bank Ltd | Inventory | 222.66 | 220.23 | 2.43 | Period end closing adjustments and reclassification |
| | | Creditors | 143.76 | 147.31 | (3.55) | |
| | | Debtors | 266.31 | 266.31 | (0.00) | |
| Dec 24 | Axis Bank Ltd | Inventory | 233.19 | 225.96 | 7.23 | Period end closing adjustments and reclassification |
| | | Creditors | 136.35 | 137.79 | (1.44) | |
| | | Debtors | 243.56 | 243.56 | (0.00) | |
| Mar -25 | Axis Bank Ltd | Inventory | 241.21 | 241.21 | 0.00 | Year end closing adjustments and reclassification |
| | | Creditors | 142.59 | 143.30 | (0.71) | |
| | | Debtors | 228.76 | 228.96 | (0.20) | |



Chethana Pharma Private Limited

Notes forming part of the Financial Statements for the year ended 31 March 2025

(Amount in Millions, unless otherwise stated)

- 49 The financial statement were authorised for issue by the company's Board of Directors on May 26, 2025.
- 50 Previous year figures have been regrouped/ reclassified, where necessary, to conform to this current year's classification.

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
Chethana Pharma Private Limited
CIN: U51909KA2019PTC123150


Amrith Vaidhya
Partner
Membership No: 101739
Place: Mumbai
Date: 26th May 2025




Praveen Mujumdar
Director
DIN: 09499164
Place: Mumbai
Date: 26th May 2025


K E Prakash
Director
DIN: 01828357
Place: Mumbai
Date: 26th May 2025

