

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **M/S. SRI RAMA PHARMACEUTICAL DISTRIBUTORS PRIVATE LIMITED**

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

**Opinion**

We have audited the accompanying financial statements of **SRI RAMA PHARMACEUTICAL DISTRIBUTORS PRIVATE LIMITED** ("the Company"), which includes its joint operations, which comprise the Balance Sheet as at March 31, 2024, 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 policy information 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, 2024, 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 there under, 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 there on**

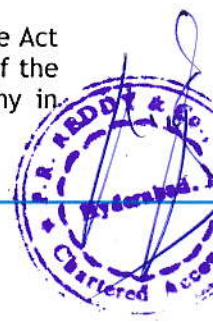
The company's board of directors is responsible for the other information. The other information comprises the director's report but does not include the financial statement and our auditors report there on.

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

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. If based on the work we performed, we conclude that there is a material statement of this other information, we are required to report that fact. 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.

The 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.
  - (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, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 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.
  - i. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - ii. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
  - iii. 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. The reporting under Rule 11(g) of companies (Audit & Auditors) Rules, 2014 is applicable from April 1, 2023
- VII. Based on our examination, the company has used a software application for revenue, billing and receivables, purchases and payables and inventory management during the year ended March 31, 2024, which has a feature of recording the audit trail (edit log) facility. The same has been enabled at



application as well as database level except that the database did not capture log of changes wherein, it did not capture one particular characteristic of the changes made.

Further the audit trail feature operated throughout the year for all relevant transactions recorded in the software application, except for the log of one particular characteristic of the changes made during the year for all relevant transactions recorded therein. Also, during the course of our examination, we did not come across any instance of the audit trail feature being tampered with. (Refer note XX to the financial statements).

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 there under.

Place: Hyderabad,  
Date: 27.05.2024.



For P R REDDY & CO  
Firm Regn No.0032685  
CHARTERED ACCOUNTANTS  
(P. RAGHUNADHA REDDY)  
Partner  
Membership No. 23758  
UDIN:24023758BKAOKH9141

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF SRI RAMA PHARMACEUTICAL DISTRIBUTORS 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 and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Place: Hyderabad,  
Date: 27.05.2024.

For P R REDDY & CO  
Firm Regn No.0032685  
CHARTERED ACCOUNTANTS  
  
(P. RAGHUNADHA REDDY)  
Partner  
Membership No. 23758  
UDIN:24023758BKAOKH9141

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SRI RAMA PHARMACEUTICAL DISTRIBUTORS PRIVATE LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024**

[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, Investment property and relevant details of right-of-use assets.

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

(b) Property, Plant and Equipment, Investment property and right of use assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties. Accordingly, the requirements under paragraph 3(i)(c) of the order are not applicable to the company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made there under. Accordingly, the provisions stated in paragraph 3(1) (e) of the order are not applicable to the company.

ii. a. The company has a system of physical verification of inventory where by all items of inventory are physically verified over a period of time at regular interval during the year. Discrepancies, if any between physical inventory and book records are adjusted in the books as and when the verifications and corresponding reconciliations are carried out. In our opinion the frequency of verification, coverage and procedure of such verification is reasonable and appropriate. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

b. The Company has been sanctioned working capital limits in excess of Rs. 50 millions in aggregate from a bank on the basis of security of current assets. Quarterly statements are filed with the bank which are not in agreement with the books of accounts is as below.

(Rs. in Million)

Quarter Ended	Name of bank	Particulars	Amount as per books of accounts	Amount as per quarterly statement	Difference	Discrepancy (give details)
June 2023	Indusind Bank	Inventory	-	-	-	
		Creditors	-	-	-	
		Debtors	-	-	-	



September 2023	Indusind Bank	Inventory	177.48	177.48	0	Period-end closing adjustments and reclassifications
		Creditors	370.41	370.95	0.54	
		Debtors	759.11	759.66	0.55	
December 2023	Indusind Bank	Inventory	172.70	172.70	0	Period-end closing adjustments and reclassifications
		Creditors	413.10	413.61	0.51	
		Debtors	778.62	779.17	0.55	
March 2024	Indusind Bank	Inventory	187.30	187.31	0.01	Period-end closing adjustments and reclassifications
		Creditors	505.06	511.25	6.19	
		Debtors	801.43	837.90	36.47	

- iii. According to the information explanation 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. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanation given to us the company has neither accepted any deposits from the public not any amounts which are deemed to be deposits, within the meaning of section 73, 74, 75 and 76 of Companies Act 2013 and the rules framed there under. Accordingly, the provision stated under clause 3(v) of the order are not applicable to the company. Also there are no amount outstanding as on March 31, 2024 which are in the nature of deposits
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and 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.

According to the information and explanations given to us and on the basis of our examination of the records of the company, no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise or cess or other statutory dues where in arrears as at 31<sup>st</sup> March 2024 for a period of more than 6 months from the date they became payable.



- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, cess or 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 Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix.
- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (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 used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Hence reporting under the Clause (ix)(e) of the order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) In our opinion and according to the information explanation 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 fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in 3 (x)(b) of the Order are not applicable to the Company.
- xi.
- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report u/s 143(12) of the act in Form ADT-4, as prescribed under Rule 13 of companies (Audit & Auditors) Rules, 2014 was not required to be filed with the



central government. Accordingly, the provisions stated in 3 (xi)(b) of the Order are not applicable to the Company.

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

xii.

- (a) The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, the company is not required to constitute an audit committee under section 177 of the Act.

xiv.

In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act.

- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the order is not applicable to Company.

xvi.

- (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are 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 in paragraph 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the group (as defined in the Core Investment companies (Reserve Bank) Directors, 2016) does not have The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.

- xvii. Based on the overall review of financial statements, the Company has incurred cash losses in the current financial year and not in the immediately preceding financial year. The details of the same are as follows:

Particulars	March 31, 2024 (Current year)	March 31, 2023 (Previous Year)
Cash Losses in Rs.	19.08 Millions	NIL

- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.

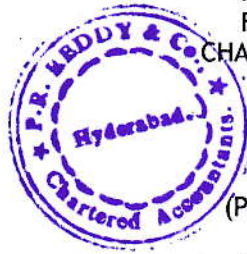
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the <sup>1</sup> financial statements, our knowledge of the Board 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.

- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are not applicable to the Company. Hence, reporting under paragraph (xx)(a) to (b) of the Order is not applicable to the Company.
- 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.

Place: Hyderabad,  
Date: 27.05.2024.



For P R REDDY & CO  
Firm Regn No.0032685  
CHARTERED ACCOUNTANTS

(P. RAGHUNADHA REDDY)  
Partner

Membership No. 23758  
UDIN:24023758BKAOKH9141

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SRI RAMA PHARMACEUTICAL DISTRIBUTORS PRIVATE LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of SRI RAMA PHARMACEUTICAL DISTRIBUTORS PRIVATE LIMITED on the Financial Statements for the year ended March 31, 2024]

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

We have audited the internal financial controls with reference to financial statements of Sri Rama Pharmaceutical Distributors Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Opinion**

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, 2024, 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").

**Managements' and Board of Director's Responsibility for Internal Financial Controls**

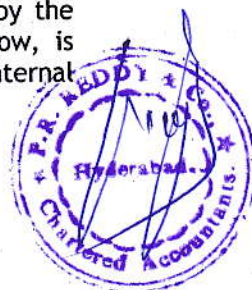
The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in 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, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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.

Place: Hyderabad,  
Date: 27.05.2024.



For P R REDDY & CO  
Firm Regn No.003268S  
CHARTERED ACCOUNTANTS  
(P. RAGHUNADHA REDDY)  
Partner  
Membership No. 23758  
UDIN:24023758BKAOKH9141

Sri Rama Pharmaceutical Distributors Pvt Ltd  
Balance Sheet as at 31 March 2024  
(₹ in Millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	8.83	0.76
Right of use asset	5	3.08	1.34
Goodwill	6	282.50	282.50
<b>Financial assets</b>			
Other financial assets	7	0.07	0.45
Non current tax assets (net)	9	4.53	1.53
<b>Total non-current assets</b>		<b>299.01</b>	<b>286.58</b>
<b>Current assets</b>			
Inventories	10	187.30	128.13
<b>Financial assets</b>			
Trade receivables	11	801.43	568.98
Cash and cash equivalents	12	39.22	32.69
Bank balances other than cash and cash equivalent	13	93.00	20.43
Other financial assets	14	1.69	0.00
Other current assets	15	3.19	0.36
<b>Total current assets</b>		<b>1,125.83</b>	<b>750.59</b>
<b>Total assets</b>		<b>1,424.84</b>	<b>1,037.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	0.05	0.05
Other equity	17	(7.95)	13.61
<b>Total equity</b>		<b>(7.90)</b>	<b>13.66</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	-	-
Lease liabilities	19	1.34	-
Deferred tax liability (net)	8	0.43	0.08
Provisions	20	0.29	0.14
<b>Total non-current liabilities</b>		<b>2.05</b>	<b>0.22</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	825.89	635.56
Trade payables	21	6.39	-
i) Total outstanding dues of micro enterprises and small enterprises			
ii) Total outstanding dues of creditors other than micro enterprise and small enterprise		498.67	276.96
Lease liabilities	19	1.74	1.37
Other financial liabilities	22	89.46	93.82
Other current liabilities	23	8.39	15.51
Provisions	20	0.15	0.07
<b>Total current liabilities</b>		<b>1,430.69</b>	<b>1,023.29</b>
<b>Total liabilities</b>		<b>1,432.74</b>	<b>1,023.51</b>
<b>Total equity and liabilities</b>		<b>1,424.84</b>	<b>1037.17</b>

See accompanying notes to the financial statements

1-49

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

As per our report of even date

P R Reddy & Co

Chartered Accountants

Firm Registration No.: 00032698

P. Raghunatha Reddy

Partner

Membership No: 23758

Place: Hyderabad

Date:

28 MAY 2024

For and on behalf of the Board of Directors

Sri Rama Pharmaceutical Distributors Pvt Ltd

CIN: U51909TG2021PTC156822

Varun Dasari Reddy

Director

DIN: 7031141

Place: Mumbai

Date:

Mahidhar Dasari Reddy

Director

DIN: 7031133

Place: Mumbai

Date:

28 MAY 2024

Sri Rama Pharmaceutical Distributors Pvt Ltd  
Statement of Profit and Loss for the year ended 31 March 2024.  
(₹ in Millions, unless otherwise stated)

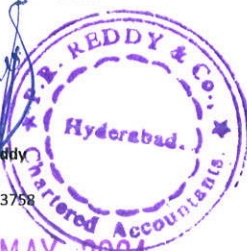
Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Revenue from operations	24	2,625.88	1,630.00
Other income	25	4.48	0.52
<b>Total income</b>		<b>2,630.36</b>	<b>1,630.52</b>
<b>Expenses</b>			
Purchase of stock-in-trade	26	2,568.36	1,575.73
Changes in inventories of stock-in-trade	27	(59.18)	(55.08)
Employee benefits expense	28	13.62	12.74
Finance costs	29	103.89	69.93
Depreciation and amortization expense	30	2.08	2.06
Other expenses	31	22.74	4.82
<b>Total expenses</b>		<b>2,651.52</b>	<b>1,610.19</b>
<b>Profit before exceptional items and tax</b>		<b>(21.16)</b>	<b>20.33</b>
Exceptional items		-	-
<b>(Loss)/ Profit before tax</b>		<b>(21.16)</b>	<b>20.33</b>
<b>Tax expense</b>			
Current tax	32	-	4.96
Deferred tax	32	0.35	0.08
<b>Total income tax expense</b>		<b>0.35</b>	<b>5.04</b>
<b>(Loss)/Profit for the year</b>		<b>(21.50)</b>	<b>15.29</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement (loss) / gain on defined benefit plan		(0.05)	(0.01)
Income tax effect			0.00
<b>Other comprehensive income for the year, net of tax</b>		<b>(0.05)</b>	<b>(0.01)</b>
<b>Total comprehensive (expense)/ income for the year</b>		<b>(21.56)</b>	<b>15.28</b>
<b>(Loss)/Gain per share</b>	33		
Basic and Diluted (INR)		(4,300.90)	6,116.17

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

1-49

As per our report of even date  
P R Reddy & Co  
Chartered Accountants  
Firm Registration No: 00032685

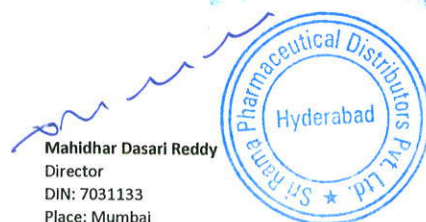
P. Raghunatha Reddy  
Partner  
Membership No: 23758  
Place: Hyderabad  
Date: 28 MAY 2024



For and on behalf of the Board of Directors of  
Sri Rama Pharmaceutical Distributors Pvt Ltd  
CIN: U51909TG2021PTC156822

Varun Dasari Reddy  
Director  
DIN: 7031141  
Place: Mumbai  
Date: 28 MAY 2024

Mahidhar Dasari Reddy  
Director  
DIN: 7031133  
Place: Mumbai  
Date: 28 MAY 2024



Sri Rama Pharmaceutical Distributors Pvt Ltd  
Statement of changes in equity for the year ended 31 March 2024  
(₹ in Millions, unless otherwise stated)

(A) Equity share capital

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	16	0.05	0.05
Changes in equity share capital during the year		-	-
Balance at the end of the year		0.05	0.05

Other equity

Particulars	Reserve and surplus	Total Equity
	Retained earnings	
As at 31 March 2022	(1.67)	(1.67)
Changes during the year		
Profit for the year	15.29	15.29
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>15.29</b>	<b>15.29</b>
Balance as at 31 March 2023	13.62	13.62
As at 31 March 2023	13.62	13.62
Changes during the year		
Loss for the year	(21.50)	(21.50)
Other comprehensive income for the year	(0.05)	(0.05)
<b>Total comprehensive income for the year</b>	<b>(21.56)</b>	<b>(21.56)</b>
Balance as at 31 March 2024	(7.94)	(7.94)

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

1-49

As per our report of even date  
P R Reddy & Co  
Chartered Accountants  
Firm Registration No.: 00032685

P. Raghunadha Reddy  
Partner  
Membership No: 23758  
Place: Hyderabad  
Date: 28 MAY 2024



For and on behalf of the Board of Directors of  
Sri Rama Pharmaceutical Distributors Pvt Ltd  
CIN: U51909TG2021PTC156822

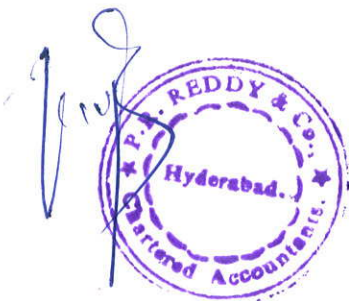
Varun Dasari Reddy  
Director  
DIN: 7031141  
Place: Mumbai  
Date: 28 MAY 2024

Mahidhar Dasari Reddy  
Director  
DIN: 7031133  
Place: Mumbai  
Date: 28 MAY 2024



Sri Rama Pharmaceutical Distributors Pvt Ltd  
Statement of cash flows for the year ended 31 March 2024.  
(₹ in Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Profit before tax	(21.16)	20.33
Adjustments for:		
Depreciation and amortization expenses	2.08	2.06
Finance cost	103.89	69.92
Interest income	(4.42)	(0.52)
Provision for expected credit loss	1.75	0.19
<b>Operating loss before working capital changes</b>	<b>82.14</b>	<b>91.97</b>
<b>Changes in working capital</b>		
(Increase) in trade receivables	(234.20)	(264.02)
(Increase) in inventories	(59.18)	(55.08)
(Decrease)/Increase in other current liabilities	(7.12)	15.14
Increase in trade payables	228.10	178.55
(Decrease) in other financial liabilities	(4.37)	(122.04)
(Increase) in other current assets	(2.83)	(0.23)
(Increase) in other financial assets	(1.31)	(0.05)
Increase in provisions and employee benefits	0.17	0.19
<b>Cash generated/(used) in operations</b>	<b>1.40</b>	<b>(155.57)</b>
Income tax paid	(3.00)	(6.49)
<b>Net cash flows (used) in operating activities (A)</b>	<b>(1.60)</b>	<b>(162.06)</b>
<b>Cash flow from Investing activities</b>		
Payment for property, plant and equipment and intangible assets	(8.36)	(0.73)
Interest received	4.42	0.52
Investment in fixed deposit	(72.56)	(20.43)
<b>Net cash flow (used) in investing activities (B)</b>	<b>(76.50)</b>	<b>(20.64)</b>
<b>Cash flow from financing activities</b>		
Proceeds from short-term borrowings	190.33	286.90
Principal paid on lease liabilities	(1.83)	(1.68)
Finance cost paid	(103.89)	(69.93)
<b>Net cash flow generated from financing activities (C)</b>	<b>84.61</b>	<b>215.29</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>6.53</b>	<b>32.61</b>
Cash and cash equivalents at the beginning of the year	32.69	0.08
<b>Cash and cash equivalents at the end of the year</b>	<b>39.22</b>	<b>32.69</b>
<b>Cash and cash equivalents comprise (refer note 12)</b>		
Balances with banks		
On current accounts	39.11	32.68
Cash on hand	0.11	0.01
<b>Total cash and bank balances at end of the year</b>	<b>39.22</b>	<b>32.69</b>
<b>Reconciliation of the movements of liabilities to cash flows arising from financing activities</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2024</b>	<b>For the year ended 31 March 2023</b>
<b>Opening balance</b>		
Term loan	158.64	226.62
Loan from related parties	476.92	122.03
Interest accrued and due on borrowings	36.33	0.99
<b>Total changes from financing cash flows</b>	<b>671.89</b>	<b>349.64</b>
<b>Movement</b>		
Cash flows-term loan	(15.14)	(67.99)
Cash flows-related party loan	205.47	354.90
Interest paid	(65.38)	(1.00)
Interest expenses	100.65	36.33
<b>Closing balance</b>		
Term loan	143.50	158.64
Loan from related parties	682.39	476.92
Interest accrued and due on borrowings	71.59	36.33
	<b>897.49</b>	<b>671.89</b>



**Sri Rama Pharmaceutical Distributors Pvt Ltd**  
**Statement of cash flows for the year ended 31 March 2024.**  
(₹ in Millions, unless otherwise stated)

1. The above Statement of cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, statement of cash flows as specified in the companies (Indian Accounting Standards), Rules, 2015 (as amended).
2. Cash comprises cash on hand, current accounts and deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of deposit).

See accompanying notes to the financial statements

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

As per our report of even date

**P R Reddy & Co**

Chartered Accountants

Firm Registration No.: 0003268S

**P. Raghunadha Reddy**

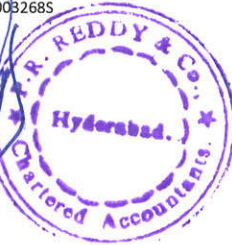
Partner

Membership No: 23758

Place: Hyderabad

Date:

**28 MAY 2024**



For and on behalf of the Board of Directors of  
**Sri Rama Pharmaceutical Distributors Pvt Ltd**  
CIN: U51909TG2021PTC156822

**Varun Dasari Reddy**

Director

DIN: 7031141

Place: Mumbai

Date:

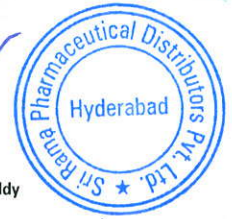
**Mahidhar Dasari Reddy**

Director

DIN: 7031133

Place: Mumbai

Date:



**28 MAY 2024**

5 Property, plant and equipment

Particulars	Gross block			Depreciation			Net block	
	As at 1st April 2023	Additions	Acquired through business combination	Deductions/ Adjustments	As at 31 March 2024	As at 1st April 2023	For the year	As at 31 March 2024
<b>Leased assets</b>								
Right to use asset - building (refer note 43)	3.12	3.55	-	-	6.67	1.78	1.81	3.59
<b>Owned assets</b>								
Furniture	0.24	-	-	-	0.24	0.04	(0.01)	0.03
Office equipment	0.44	0.10	-	-	0.54	0.15	(0.00)	0.39
Plant & machinery	0.13	8.20	-	-	8.33	0.03	0.29	0.32
Vehicles	0.22	-	-	-	0.22	0.06	(0.02)	0.17
Computer and peripherals	0.01	0.06	-	-	0.07	0.01	0.00	0.01
<b>Total</b>	<b>4.16</b>	<b>11.91</b>	<b>-</b>	<b>-</b>	<b>16.07</b>	<b>2.07</b>	<b>2.08</b>	<b>4.14</b>

Particulars	Gross block			Depreciation			Net block	
	As at 1st April 2022	Additions	Acquired through business combination	Deductions/ Adjustments	As at 31 March 2023	As at 1st April 2022	For the year	As at 31 March 2023
<b>Leased assets</b>								
Right to use asset - building (refer note 43)	3.12	-	-	-	3.12	-	1.78	1.78
<b>Owned assets</b>								
Furniture	0.14	0.10	-	-	0.24	0.00	0.04	0.04
Office equipment	0.00	0.44	-	-	0.44	0.00	0.15	0.15
Plant & machinery	0.13	-	-	-	0.13	0.00	0.02	0.03
Vehicles	0.02	0.20	-	-	0.22	0.00	0.06	0.16
Computer and peripherals	0.01	-	-	-	0.01	0.00	0.01	0.01
<b>Total</b>	<b>3.42</b>	<b>0.74</b>	<b>-</b>	<b>-</b>	<b>4.16</b>	<b>0.01</b>	<b>2.06</b>	<b>2.07</b>

6 Goodwill

Particulars	Gross block			Amortisation			Net block	
	As at 1st April 2023	Additions	Acquired through business combination	Deductions/ Adjustments	As at 31 March 2024	As at 1st April 2023	For the year	As at 31 March 2024
Goodwill (refer note 45)	282.50	-	-	-	282.50	282.50	-	282.50
<b>Total</b>	<b>282.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282.50</b>	<b>282.50</b>	<b>-</b>	<b>282.50</b>

Particulars	Gross block			Amortisation			Net block	
	As at 1st April 2022	Additions	Acquired through business combination	Deductions/ Adjustments	As at 31 March 2023	As at 1st April 2022	For the year	As at 31 March 2023
Goodwill (refer note 45)	282.50	-	-	-	282.50	-	-	282.50
<b>Total</b>	<b>282.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282.50</b>	<b>-</b>	<b>-</b>	<b>282.50</b>



Sri Rama Pharmaceutical Distributors Pvt Ltd  
Notes forming part of the Financial Statements for the year ended 31 March 2024 .  
(₹ in Millions, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>7 Other financial assets</b>		
<b>Financial instruments at amortised cost</b>		
<u>Unsecured, considered good</u>		
Security deposits	0.07	0.45
In deposits for more than 12 months	-	-
<b>Total</b>	<b>0.07</b>	<b>0.45</b>
<b>8 Deferred tax assets/(liabilities) (net)</b>		
<b>Deferred tax asset on account of:</b>		
Expenses provided but allowable in income tax on payment basis		
On Ind AS adjustment	(0.77)	0.01
Gratuity & leave encashment	0.11	0.02
Unabsorbed depreciation	-	-
Unabsorbed loss	-	-
Expected credit loss on loans and advances	0.44	0.04
<b>Deferred tax liability on account of:</b>		
Timing difference between tax depreciation and depreciation charged in the books	(0.22)	0.15
Expenses provided but allowable in income tax on payment basis	0.02	(0.01)
<b>Net deferred tax assets</b>	<b>(0.43)</b>	<b>(0.08)</b>

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

Particulars	As at 1st April 2023	(Charged)/ credited to P & L	(Charged)/ credited to OCI	As at 31 March 2024
Timing difference between tax depreciation and depreciation charged in the books	0.04	(0.25)		(0.22)
Expenses provided but allowable in income tax on payment basis	0.01	0.00		0.02
On Ind AS 116 adjustment	0.02	(0.79)		(0.77)
Gratuity & leave encashment	0.05	0.06	-	0.11
Expected credit loss on loans and advances	0.15	0.29		0.44
Unabsorbed depreciation	(0.01)	0.01		-
Unabsorbed loss	(0.34)	0.34		-
<b>Net Net deferred tax assets/(liability)</b>	<b>(0.08)</b>	<b>(0.35)</b>	<b>-</b>	<b>(0.43)</b>

Particulars	As at 1st April 2022	(Charged)/ credited to P & L	(Charged)/ credited to OCI	As at 31 March 2023
Timing difference between tax depreciation and depreciation charged in the books	-	0.04		0.04
Expenses provided but allowable in income tax on payment basis	-	0.01		0.01
On Ind AS 116 adjustment	-	0.02		0.02
Gratuity & leave encashment	-	0.06	0.00	0.05
Expected credit loss on loans and advances	-	0.15		0.15
Unabsorbed depreciation	-	(0.01)		(0.01)
Unabsorbed loss	-	(0.34)		(0.34)
<b>Net deferred tax assets/(liability)</b>	<b>-</b>	<b>(0.07)</b>	<b>0.00</b>	<b>(0.08)</b>

**9 Non current tax assets**

Particulars	As at 31 March 2024	As at 31 March 2023
Advance tax (Net of provision: Rs. 4.53 millions (31 march 2023: Rs. 1.53 millions)	4.53	1.53
<b>Total</b>	<b>4.53</b>	<b>1.53</b>

**10 Inventories**

**At lower of cost and net realizable value**

Stock in trade	187.30	128.13
<b>Total</b>	<b>187.30</b>	<b>128.13</b>

\*Inventory pledged as security by the company, refer note 27

**11 Trade receivable**

**Secured, considered good**

**Unsecured**

**-Considered good**

**-Having significant increase in credit Risk**

Less:- expected loss allowances

<b>Total</b>	<b>801.43</b>	<b>568.98</b>
	1.74	0.61
	<b>803.17</b>	<b>569.59</b>
	(1.74)	(0.61)
	<b>801.43</b>	<b>568.98</b>



Ageing of trade receivables  
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	767.12	17.28	17.04	-	-	801.43
(ii) Undisputed trade receivable - which have significant increase in credit risk	1.63	0.08	0.03	-	-	1.74
(iii) Undisputed trade receivable - credit impaired	-	-	-	-	-	-
(iv) Undisputed trade receivable - considered doubtful	-	-	-	-	-	-
(v) Disputed trade receivable - considered good	-	-	-	-	-	-
(vi) Disputed trade receivable - considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	(1.63)	(0.08)	(0.03)	-	-	(1.74)
<b>Total</b>	<b>767.12</b>	<b>17.28</b>	<b>17.04</b>	<b>-</b>	<b>-</b>	<b>801.43</b>

As at 31 March 2023

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	554.38	14.60	-	-	-	568.98
(ii) Undisputed trade receivable - which have significant increase in credit risk	0.54	0.07	-	-	-	0.61
(iii) Undisputed trade receivable - credit impaired	-	-	-	-	-	-
(iv) Undisputed trade receivable - considered doubtful	-	-	-	-	-	-
(v) Disputed trade receivable - considered good	-	-	-	-	-	-
(vi) Disputed trade receivable - considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	(0.54)	(0.07)	-	-	-	(0.61)
<b>Total</b>	<b>554.38</b>	<b>14.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>568.98</b>

There are no unbilled and not due receivables

12 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
In current accounts	39.11	32.68
Cash in hand	0.11	0.01
<b>Total</b>	<b>39.22</b>	<b>32.69</b>

13 Bank balances other than cash and cash equivalent

Deposit with maturity for more than 3 months but less than 12 months	93.00	20.43
<b>Total</b>	<b>93.00</b>	<b>20.43</b>

14 Other financial assets

Interest accrued on fixed deposit	1.69	-
<b>Total</b>	<b>1.69</b>	<b>-</b>

15 Other current assets

Balance with government authorities	0.32	-
Prepaid expenses	2.87	0.20
Staff advance	-	0.16
<b>Total</b>	<b>3.19</b>	<b>0.36</b>



Sri Rama Pharmaceutical Distributors Pvt Ltd  
Notes forming part of the Financial Statements for the year ended 31 March 2024 .  
(₹ in Millions, unless otherwise stated)

16 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
a. Authorised share capital		
10,000 (31 March 2023 : 10,000) Equity shares of INR 10 each	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>
b. Issued, Subscribed and Paid-up:		
5,000 (31 March 2023: 5,000) Equity Shares of INR 10 each fully paid-up	0.05	0.05
<b>Total</b>	<b>0.05</b>	<b>0.05</b>

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

Particulars	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	5,000	0.05	5,000	0.05
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	5,000	0.05	5,000	0.05

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 on vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at		As at	
	31 March 2024		31 March 2023	
	No of shares	%	No of shares	%
Entero Healthcare Solutions Limited including shares held by nominee	5,000	100	5,000	100.00

f. Shareholding of Promoters at the end of the year

Name of the shareholder	No. of Share	% of Total Share	% change during the year	No. of Share	% of Total Share	% change during the year
Entero Healthcare Solutions Limited including shares held by nominee	5,000	100.00	-	5,000	100.00	100.00

\*Out of total 5,000 equity shares, Mr. Prabhat Agrawal holds 1 equity share i.e. 0.01% of total shares, as nominee of Entero Healthcare Solutions Limited.

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
17 Other equity		
Surplus / (Deficit) in the profit and loss account		
Opening balance	13.61	(1.67)
Add: Net profit for the current year	(21.50)	15.29
Add: Re-measurement gain/(loss) on post employment benefit obligation (net of tax)	(0.05)	(0.01)
<b>Closing balance</b>	<b>(7.95)</b>	<b>13.61</b>



**Sri Rama Pharmaceutical Distributors Pvt Ltd**  
**Notes forming part of the Financial Statements for the year ended 31 March 2024 .**  
 (₹ in Millions, unless otherwise stated)

**18 Borrowings**

Particulars	As at		As at	
	31 March 2024		31 March 2023	
	Long term	Short term	Long term	Short term
<b>a)Secured</b>				
Term loan				
From financial institution	-	-	-	158.64
*Rate of Interest :12.50% p.a.				
Secured against book debts and moveable property.				
Working capital loan from banks:				
Cash credit*	-	143.50	-	-
<b>b)Other loans &amp; advances(unsecured)</b>				
Loans and advances from related parties* (refer note 42)	-	682.39	-	476.92
*Rate of Interest : 13% p.a., payment terms - on demand				
	-	<b>825.89</b>	-	<b>635.56</b>

**Cash credit/ WCDL**

Outstanding cash credit and working capital facility is 143.50 millions (March 2023: Nil : Secured against 25% margin on inventories and trade receivables in addition to fixed deposit to the extent of 20% of the facility amount & pari passu charge on entire current assets of borrower, present and future.

(Facility amount; March 2024:Nil (March 2023: 3,007.00 million); Rate of interest : Bank 1 year MCLR + 25 - 190 basis points; Effective interest rate for the period : 10.00% to 13.50 % p.a.)

**19 Lease liability**

At amortised cost	Long term	Short term	Long term	Short term
Lease liability	1.34	1.74	-	1.37
<b>Total</b>	<b>1.34</b>	<b>1.74</b>	<b>-</b>	<b>1.37</b>

**20 Provisions**

Particulars	As at		As at	
	31 March 2024		31 March 2023	
	Long term	Short term	Long term	Short term
a) Provision for employee benefits (refer note 34)				
Provision for gratuity (unfunded)	0.29	0.15	0.14	0.07
Provision for leave encashment (unfunded)	-	-	-	-
b) Other provisions				
Provision for purchase discount	-	-	-	-
Provision for tax	-	-	-	-
<b>Total Provisions</b>	<b>0.29</b>	<b>0.15</b>	<b>0.14</b>	<b>0.07</b>

**21 Trade payables**

Particulars	As at	As at
	31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises	6.39	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	498.67	276.96
<b>Total trade payables</b>	<b>505.06</b>	<b>276.96</b>

**Trade payable ageing schedule**

For the year 31 March 2024

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
MSME	6.39	-	-	6.39
Other	498.67	-	-	498.67
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-

For the year 31 March 2023

Particulars	Less than 1 year	1-2 years	More than 2 years	Total
MSME	-	-	-	-
Other	276.96	-	-	276.96
Disputed dues - MSME	-	-	-	-
Disputed dues - others	-	-	-	-

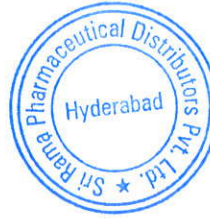
Disclosure relating to suppliers registered under MSMED Act based on the information available with the company:

Particulars	As at	As at
	31 March 2024	31 March 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal and interest	6.39	-
<b>Total</b>	<b>-</b>	<b>-</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the 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.	-	-



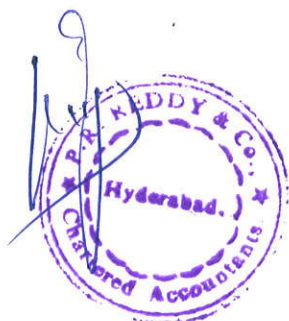
Sri Rama Pharmaceutical Distributors Pvt Ltd  
Notes forming part of the Financial Statements for the year ended 31 March 2024 .  
(₹ in Millions, unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>22 Other financial liabilities</b>		
Purchase consideration payable	-	55.00
Interest accrued and due on borrowings (refer note 42)	71.59	36.33
Other financial liabilities	-	0.45
Other payables	17.19	0.14
Security deposit	-	0.47
Employee liabilities	0.68	1.43
<b>Total other financial liabilities</b>	<b>89.46</b>	<b>93.82</b>
<b>23 Other current liabilities</b>		
Statutory due payable	8.39	5.41
Advance from customers	-	10.09
<b>Total other current liabilities</b>	<b>8.39</b>	<b>15.50</b>



Sri Rama Pharmaceutical Distributors Pvt Ltd  
Notes forming part of the Financial Statements for the year ended 31 March 2024 .  
(₹ in Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
24 Revenue from operation		
Sale of traded goods	2,625.88	1,630.00
Revenue from operation	<u>2,625.88</u>	<u>1,630.00</u>
Analysis of revenues by segments:		
Trading of pharmaceutical and surgical products.	2,625.88	1,630.00
	<u>2,625.88</u>	<u>1,630.00</u>
Revenue based on geography		
Domestic	2,625.88	1,630.00
Export	-	-
Total	<u>2,625.88</u>	<u>1,630.00</u>
Revenue based on timing of recognition		
Revenue recognition at a point in time	2,625.88	1,630.00
Revenue recognition over year of time	-	-
Total	<u>2,625.88</u>	<u>1,630.00</u>
25 Other income		
Interest income		
on fixed deposits designated as amortized cost	4.39	0.48
on unwinding of security deposit	0.04	0.04
Other interest income	0.06	-
Total other income	<u>4.48</u>	<u>0.52</u>
26 Purchase of stock-in-trade		
Purchases of stock-in-trade	2,568.36	1,575.73
Total	<u>2,568.36</u>	<u>1,575.73</u>
27 Changes in inventories of stock-in-trade		
Inventories at the beginning of the year		
-Stock in trade at beginning	128.13	73.05
	<u>128.13</u>	<u>73.05</u>
Less: Inventories at the end of the year		
-Stock in trade	(187.30)	(128.13)
	<u>(187.30)</u>	<u>(128.13)</u>
Net (Increase)	<u>(59.18)</u>	<u>(55.08)</u>
28 Employee benefits expense		
Salaries, wages, bonus and other allowances	12.77	12.00
Gratuity and compensated absences expenses (refer note 34)	0.17	0.19
Staff welfare expenses	0.26	0.22
Contribution to provident fund and other funds	0.43	0.33
Total employee benefits expense	<u>13.62</u>	<u>12.74</u>
29 Finance costs		
Interest expenses		
On Bank loan	21.10	26.85
On Loan from holding company (refer note 42)	79.55	38.27
Interest on delayed statutory payments	0.13	-
Processing fees	2.96	4.59
Interest on lease liabilities	0.15	0.22
Total finance costs	<u>103.89</u>	<u>69.93</u>
30 Depreciation and amortization expense		
Depreciation on property, plant and equipment (refer note 5)	0.28	0.28
Amortization on ROU (refer note 43)	1.81	1.78
Total depreciation and amortization expense	<u>2.08</u>	<u>2.06</u>

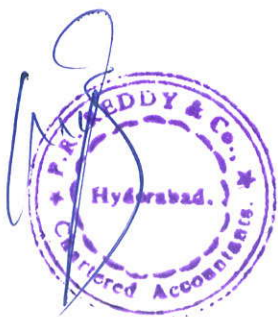


Sri Rama Pharmaceutical Distributors Pvt Ltd

Notes forming part of the Financial Statements for the year ended 31 March 2024 .

(₹ in Millions, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>31 Other expenses</b>		
Rent	-	-
Rates and taxes	0.08	0.03
Legal and professional charges	0.64	0.32
Travelling expenses	4.76	2.56
Power and fuel	0.22	0.31
Repairs and maintenance	0.63	0.59
Distribution cost	0.11	-
Printing and stationery	0.12	0.10
Business promotion expenses	0.24	0.02
Office expenses	0.45	0.27
Net impairment losses on trade receivables/financial assets	1.12	-
Auditor's remuneration (refer note below)*	0.20	0.15
Business support services	13.93	0.30
Insurance	0.24	0.17
<b>Total other expenses</b>	<b>22.74</b>	<b>4.82</b>
*Note : The following is the break-up of Auditors remuneration (exclusive of taxes)		
<b>Particulars</b>		
Statutory audit	0.20	0.15
Others (including reimbursement of out of pocket expenses)	-	0.00
<b>Total</b>	<b>0.20</b>	<b>0.15</b>
<b>32 Income Tax</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	4.96
Deferred tax charge / (income)	0.42	0.08
<b>Total tax expense</b>	<b>0.42</b>	<b>5.04</b>
<b>33 Earnings per share</b>		
Profit attributable to the equity holders of the company (A)	(21.50)	15.29
Weighted average number of shares issued for Basic EPS (B)	5,000.00	2,500.00
Adjustment for calculation of Diluted EPS ( C )	-	-
Weighted average number of shares issued for Diluted EPS (D= B+C)	5,000.00	2,500.00
<b>Basic and diluted EPS in INR</b>	<b>(4,300.90)</b>	<b>6,116.17</b>



**Sri Rama Pharmaceutical Distributors Pvt Ltd**

Notes forming part of the Financial Statements for the year ended 31 March 2024 .

(₹ in Millions, unless otherwise stated)

**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	For the year ended 31 March 2024	For the year ended 31 March 2023
Contribution to Provident fund	0.35	0.27
Employers Contribution to Employee state insurance	0.07	0.06

**ii. Defined benefit plans**

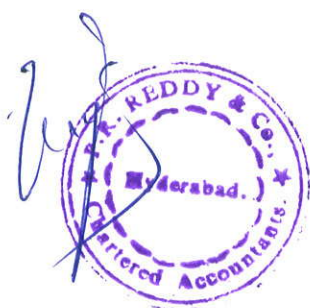
**Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a year of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000.

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

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

Sr No	Defined benefit plans	For the year ended 31 March 2024 Gratuity (Unfunded)	For the year ended 31 March 2023 Gratuity (Unfunded)
i	<b>Expenses recognised in statement of profit and loss during the year:</b>		
	Current service cost	0.15	0.19
	Net interest cost / (income) on the net defined benefit liability / (asset)	0.02	0.01
	<b>Total expenses</b>	<b>0.17</b>	<b>0.19</b>
ii	<b>Expenses recognised in other comprehensive income</b>		
	Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations	-	-
	Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations	0.00	(0.00)
	Actuarial (gains) / losses due to experience on defined benefit obligations	0.04	0.01
	Return on plan assets excluding Interest income	-	-
	<b>Total expenses</b>	<b>0.05</b>	<b>0.01</b>
iii	<b>Net asset /(liability) recognised as at balance sheet date:</b>		
	Present value of defined benefit obligation	0.43	0.21
	<b>Total</b>	<b>0.43</b>	<b>0.21</b>
iii	<b>Movements in present value of defined benefit obligation</b>		
	Present value of defined benefit obligation at the beginning of the year	0.21	0.01
	Current service cost	0.15	0.19
	Past service cost	-	-
	Interest cost	0.02	-
	Actuarial loss	0.05	0.01
	Benefits paid	-	-
	<b>Present value of defined benefit obligation at the end of the year</b>	<b>0.43</b>	<b>0.21</b>
iv	<b>Maturity profile of defined benefit obligation</b>		
a	Expected cash flows over future years (valued on undiscounted basis):		
	1st Following Year	0.15	0.07
	2nd Following Year	0.00	0.00
	3rd Following Year	0.00	0.00
	4th Following Year	0.07	0.00
	5th Following Year	0.06	0.04
	Sum of Years 6 To 10	0.21	0.12
	Sum of Years 11 and above	0.16	0.11



## V Quantitative sensitivity analysis for significant assumptions is as below:

Increase / (decrease) on present value of defined benefit obligation at the end of the year	(0.02)	0.21
(i) +1% increase in discount rate	0.02	(0.01)
(ii) -1% decrease in discount rate	0.02	0.01
(iii) +1% increase in rate of salary increase	(0.02)	0.01
(iv) -1% decrease in rate of salary increase	(0.01)	(0.01)

**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.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

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

## VI Actuarial assumptions:

	As at 31 March 2024	As at 31 March 2023
1 Discount rate	7.13%	7.28%
2 Expected rate of salary increase	8.00%	8.00%
3 Rate of employee turnover	20.00%	20.00%
4 Mortality rate during employment	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
5 Retirement age	58 years	58 years

**Notes:**

- The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting year on government bonds.
- The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



**35 Contingent liabilities & commitments**

(i) There are no contingent liabilities & commitments as at 31 March 2024 and 31 March 2023.

(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.

**37 Segment reporting**

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

**38 Capital Management**

For the purpose of the company's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to safeguard the company's ability to remain as a going concern and maximise the shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the company is equity based with no financing through borrowings.

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Borrowings</b>		
Long term and short term borrowings	825.89	635.56
Less: cash and cash equivalents	(39.22)	(32.69)
<b>Net debt</b>	<b>786.67</b>	<b>602.87</b>

**39 Events after reporting date**

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



40 Fair value measurements

A. Accounting classification and fair values

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

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities as at 31 March 2024</b>								
<b>Non-current financial assets</b>								
Other financial assets	-	-	0.07	0.07	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	-	-	801.43	801.43	-	-	-	-
Cash and cash equivalents	-	-	39.22	39.22	-	-	-	-
Other financial assets	-	-	1.69	1.69	-	-	-	-
<b>Total</b>	-	-	842.40	842.40	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	825.89	825.89	-	-	-	-
Trade payables	-	-	505.06	505.06	-	-	-	-
Lease liabilities	-	-	1.74	1.74	-	-	-	-
Other financial liabilities	-	-	89.46	89.46	-	-	-	-
<b>Total</b>	-	-	1,422.14	1,422.14	-	-	-	-

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities as at 31 March 2023</b>								
<b>Non-current financial assets</b>								
Other financial assets	-	-	0.45	0.45	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	-	-	568.98	568.98	-	-	-	-
Cash and cash equivalents	-	-	32.69	32.69	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	602.12	602.12	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	635.56	635.56	-	-	-	-
Trade payables	-	-	276.96	276.96	-	-	-	-
Lease liabilities	-	-	1.37	1.37	-	-	-	-
Other financial liabilities	-	-	93.82	93.82	-	-	-	-
<b>Total</b>	-	-	1,007.70	1,007.70	-	-	-	-

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.

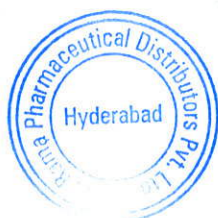
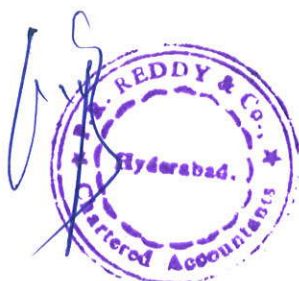
C. Fair Value Hierarchy

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.



**41. Financial Risk Management**

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

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

- Credit risk
- Liquidity risk and
- Market risk

**(A) Credit Risk**

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

**i) Trade and Other Receivables**

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

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

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured	801.43	568.98
-Considered good	1.74	0.61
-Considered doubtful	803.17	569.59
Gross trade receivables	(1.74)	(0.61)
Less: Loss allowance	801.43	568.98
Net trade receivables		

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

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

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

**iii. Cash and bank balances**

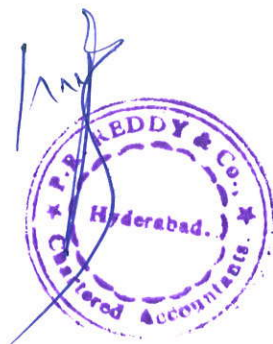
The company held cash and cash equivalent and other bank balance of INR 39.22 Millions as on 31 March 2024 ( INR 32.69 Millions as on 31 March 2023). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

**iv. Others**

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

**(B) Liquidity risk**

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



**(i) Maturities of financial liabilities**

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

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

	1 year or less	1-5 years	More than 5 years	Total
Lease liabilities	1.96	1.39	-	3.36
Short term borrowings	825.89	-	-	825.89
Trade payables	505.06	-	-	505.06
Other financial liabilities	89.46	-	-	89.46
<b>Total</b>	<b>1,422.36</b>	<b>1.39</b>	<b>-</b>	<b>1,423.76</b>

**Contractual maturities of financial liabilities****31 March 2023**

	1 year or less	1-5 years	More than 5 years	Total
Lease liabilities	1.43	-	-	1.43
Short term borrowings	635.56	-	-	635.56
Trade payables	276.96	-	-	276.96
Other financial liabilities	93.82	-	-	93.82
<b>Total</b>	<b>1,007.75</b>	<b>-</b>	<b>-</b>	<b>1,007.75</b>

**(C) Market Risk**

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

**(i) Foreign currency risk**

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

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. 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 2024	As at 31 March 2023
Variable rate borrowings	143.50	158.64
Fixed rate borrowings	682.39	476.92

**Sensitivity:**

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

Particulars	As at 31 March 2024	As at 31 March 2023
Interest rates – increase by 100 basis points *	1.43	1.59
Interest rates – decrease by 100 basis points *	(1.43)	(1.59)

\* Holding all other variables constant



42 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 Limited
Fellow Subsidiary Companies	R S M pharma private limited Jaggi enterprises private limited G.S. pharmaceutical distributors private limited Novacare healthcare solutions private limited Chhabra healthcare solutions private limited Galaxystar pharma distributors private limited Sundarlal pharma distributors private limited Millennium medisolutions private limited Getwell medicare solution private limited Vasavi medicare solutions private limited Avenues pharma distributors private limited Chirag Medicare Solutions Private Limited Chethana Healthcare Solutions Private Limited Rada Medisolutions Private Limited Chethana Pharma Private Limited SVMED Solutions Private Limited CPD Pharma Private Limited Sesha Balajee Medisolutions Private Limited Barros Enterprises Private Limited Calcutta Medisolutions Private Limited Quomed Lifesciences Private Limited Rimedio Pharma Private Limited Sree Venkateshwara Medisolutions Private Limited Chethana Pharma Distributors Private Limited Curever Pharma Private Limited Atreja Healthcare Solutions Private Limited City Pharma Distributors Private Limited Western Healthcare Solutions Private Limited Swami Medisolutions Private Limited New RRPD Private Limited New Siva Agencies Private Limited Zennx Software Solutions Private Limited Sri Parshva Pharma Distributors Private Limited Saurashtra Medisolutions Private Limited SVS Lifesciences Private Limited S.S. Pharma Traders Private Limited Entero R.S. Enterprises Private Limited Dhanvanthri Super Speciality Private Limited
Key Management Personnel and their relative:	Mahidhar Dasari Reddy Varun Dasari Reddy Sambit Mohanty Venkata Sarva Sai Subramanyam Bachotti Appointed w.e.f. 06/03/2024
Companies/Firms/Body Corporates in which Directors are Director/ Partner	Sri Rama Holdings Dedeepya Pharma Private Limited Sri rama avenues private limited Sterling Heights LLP Sri Rama Holdings MV Corporation SR Holdings Dedeepya Pharma Private Limited Sri Rama Avenues Private Limited VM Infini Private Limited Mahidhar Reddy Dasari Varun Reddy Dasari

B. Details of related party transactions:

Nature of Transaction	Name of the related party	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchase of stock in trade	Novacare Healthcare Solutions Private Limited	0.01	-
	Dedeepya pharma private limited	4.92	-
	Dedeepya pharma	8.06	9.81
	Sri rama pharmaceutical distributors	46.71	262.37
Sales of stock in trade	Dedeepya pharma	4.27	9.12
	Dedeepya pharma private limited	943.74	81.41
	Sri rama pharmaceutical distributors	-	9.53
Remuneration Paid	Mahider Reddy Dasari	1.80	1.80
	Varun Reddy Dasari	1.80	1.80
Loan Taken	Entero Healthcare Solutions Limited	205.46	354.90
Cross Charge	Entero Healthcare Solutions Limited	13.93	-
Interest Paid	Entero Healthcare Solutions Limited	79.55	38.27
Rent Paid	Manjula Reddy Dasari	0.95	0.95
	Mahidhar Reddy Dasari	0.95	0.95
Corporate Guarantees Taken	Entero Healthcare Solutions Limited	320.00	158.64



Sri Rama Pharmaceutical Distributors Pvt Ltd

Notes forming part of the Financial Statements for the year ended 31 March 2024 .

(₹ in Millions, unless otherwise stated)

C. Details of balances outstanding for related party transactions:

Nature of Transaction	Name of the related party	For the year ended 31 March 2024	For the year ended 31 March 2023
Borrowing	Entero Healthcare Solutions Limited	682.39	476.93
Interest Payable	Entero Healthcare Solutions Limited	71.59	36.33
Trade receivables	Dedeeppya pharma private limited	413.38	85.42
	Dedeeppya pharma	0.88	0.61
	Sri rama pharmaceutical distributors	-	61.95
Trade Payables	Entero Healthcare Solutions Limited	-	4.92
	Sri rama pharmaceutical distributors	0.22	62.30
Cross Charge	Entero Healthcare Solutions Limited	13.93	-
Corporate Guarantees Taken	Entero Healthcare Solutions Limited	143.50	158.64

D. Key management personnel compensation:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Director Remuneration:	3.60	3.60
Reimbursement of Expenses	-	-

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. Company has not recorded any impairment of receivables relating to amount Rs Nil , previous year Nil , 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.



43 Disclosure related to Leases

Particulars	As at 31 March 2024	As at 31 March 2023
(A) Carrying value of right of use assets at the end of the reporting year		
Balance at the beginning of the year	1.34	3.12
Adjustment:	(0.15)	-
Additions	3.5	-
Depreciation charge for the year	(1.81)	(1.78)
Balance at the end of the year	2.94	1.34
(B) Change in carrying value of lease liabilities at the end of the reporting year		
Balance at the beginning of the year	1.37	3.05
Additions	3.61	-
Deletion	-	-
Adjustment	(0.15)	-
Payment of lease liabilities	(1.90)	(1.90)
Finance cost during the year	0.15	0.22
Balance at the end of the year	3.09	1.37
(C) Maturity analysis of lease liabilities		
Less than one year	1.96	1.43
One to five years	1.39	-
More than five years	-	-
Total undiscounted lease liabilities at reporting year	3.36	1.43
Lease liabilities included in the statement of financial position at the year ended	3.09	1.37
(D) Amounts recognised in statement of profit or loss		
Interest on lease liabilities	0.15	0.22
Amortisation of Right to use assets	1.81	1.74
(E) Amounts recognised in the statement of cash flows		
Total Cash outflow for leases	1.90	1.90

44 Statement of unhedged foreign currency exposure:

The Company's has no foreign currency exposure.

45 Impairment testing of Goodwill

Goodwill is tested for impairment annually on 31 March every year. Company operates in single segment/ CGU.

The recoverable amount of a CGU is based on fair value less costs to sell. The fair value is estimated using discounted cash flows over a year of 5 years. 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 Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	16.96%	19.86%
Terminal value growth rate	5.00%	7.00%
Revenue growth rate	20.00%	32.52%

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

The 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.



46 Ratio Analysis

Particulars	Numerator	Denominator	31 March 2024	31 March 2023	Variance %	Reason for variance
a) Current Ratio	Current Assets	Current Liabilities	0.79	0.73	7.28%	Variance not material
(b) Debt-Equity Ratio	Short term and long term borrowings	Total Equity	(104.59)	46.5	-325.01%	Refer Explanation 1
(c) Debt Service Coverage Ratio	Earning before Interest and Tax	Debt Service	0.10	0.14	-32.65%	Refer Explanation 1
(d) Return on Equity Ratio	Net Profit After Tax	Total Equity	-2.73	1.12	-344.06%	Refer Explanation 1
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	15.91	15.12	5.24%	Variance not material
(f) Trade Receivables turnover ratio	Net credit sales	Average Trade receivables	3.83	3.73	2.76%	Variance % not material
(g) Trade payables turnover ratio	Credit purchases	Average Trade payable	6.57	8.40	-21.76%	Refer Explanation 2
(h) Net capital turnover ratio	Sales	Working Capital (Current Assets-Current Liabilities)	(8.61)	(5.98)	44.09%	Refer Explanation 3
(i) Net profit ratio	Net profit after tax	Net Sales	(0.01)	0.01	-187.49%	Variance not material
(j) Return on Capital employed	Earning before Interest and Tax	Capital Employed	(10.17)	6.71	-251.55%	Refer Explanation 1
(k) Return on investment	Net profit after tax	Average Total Assets	(0.01)	0.02	-142.09%	Variance not material

Reason for variance

1. Ratio decreased due to increase in borrowings and loss incurred in current FY
2. Ratio decreased due to better trade creditors management
3. Ratio increased due higher loans and decreased Working capital

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

The Company has been sanctioned working capital limits in excess of Rs. Five crores, in aggregate from banks of financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with the such banks or financial institutions are in agreement with the books of accounts of the Company except as follows:

Quarter	Name of Bank	Particulars	Amount as per books of Accounts	Amount as reported in the quarterly return/ statement	Difference (In INR Millions)	Reason for Discrepancies
			(In INR Millions)	(In INR Millions)		
Jan-Mar 24	Axis	Inventory	187.30	187.31	(0.00)	Year end Closing Adjustments and reclassification
		Creditors	505.06	511.25	(6.19)	
		Debtors	801.43	837.90	(36.47)	
Jun-Sep 23	Axis	Inventory	177.48	177.48	0.00	Year end Closing Adjustments and reclassification
		Creditors	370.41	370.95	(0.54)	
		Debtors	759.11	759.66	(0.55)	



48 Other Statutory information:

(i) Details of benami property held

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) Relationships with struck off companies

The Company do not have any transactions with companies struck off.

(iii) Registration of charges or satisfaction with Registrar of Companies

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) Details of crypto currency or virtual currency

The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) Utilisation of borrowings availed from banks and financial institutions

The Company have not advanced or extended loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) Undisclosed Income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vii) Willful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or by any government authorities.

(viii) Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(ix) Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(x) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease arrangements are duly executed in favour of the lessee) are held in the name of the Company during the current and previous year.

(xi) Valuation of PPE, intangible assets and Investment property

The company has not revalued its property, plant and equipment (Including Right of use assets) or intangible assets or both during the current or previous year.

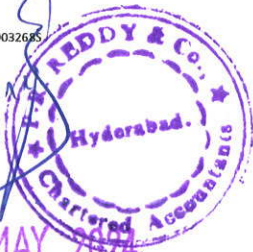
(xii) Backup of books of accounts

The company uses software / IT applications to maintain its books of accounts and other books and papers in electronic mode ("Electronic records"). During the year, the Company has maintained backups of these electronic records on server physically located in India on daily basis, as required by Companies (Accounts) Rules, 2014 (as amended).

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

As per our report of even date  
P R Reddy & Co  
Chartered Accountants  
Firm Registration No.: 00032685

P. Raghunadha Reddy  
Partner  
Membership No.: 23758  
Place: Hyderabad  
Date: 28 MAY 2024



For and on behalf of the Board of Directors  
Sri Rama Pharmaceutical Distributors Pvt Ltd  
CIN: U51909TG2021PTC156822

Varun Dasari Reddy  
Director  
DIN: 7031141  
Place: Hyderabad  
Date: 28 MAY 2024

Mahidhar Dasari Reddy  
Director  
DIN: 7031133

