

**NOTICE OF ANNUAL GENERAL MEETING**

**SHORTER NOTICE IS HEREBY GIVEN THAT THE 05<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED WILL BE HELD ON MONDAY, AUGUST 07, 2023 AT 11:00 A.M. AT 605 & 606, 6<sup>TH</sup> FLOOR, TRADE CENTRE, BANDRA KURLA COMPLEX, BANDRA EAST, MUMBAI – 400051, MAHARASHTRA.**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the financial year 31<sup>st</sup> March, 2023, along with the Reports of the Board and Auditor thereon.

**SPECIAL BUSINESS:**

**2. CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED COMPANY**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13, 14, 18 and other applicable provisions, if any, of the Companies Act, 2013, as amended, and along with the rules and framed thereunder (including any amendment(s) thereto and re-enactment thereof for the time being in force) (the **“Companies Act”**), memorandum of association, articles of association and subject to the receipt of such approvals as may be required under the Companies Act and otherwise, the consent and approval of the shareholders of the Company be and is hereby accorded for the conversion of the Company from a private limited company to a public limited company and consequently, the name of the Company be and is hereby changed from **“Entero Healthcare Solutions Private Limited”** to **“Entero Healthcare Solutions Limited”** by deletion of the word **“Private”** from the name of the Company.

**RESOLVED FURTHER THAT** the word **“Private”** wherever appearing in the name of the Company in the Memorandum of Association and Articles of Association of the Company be and is hereby deleted.

**RESOLVED FURTHER THAT** pursuant to conversion of the Company as above, the following Articles in the Articles of Association of the Company be and is hereby altered as under:

- a) by substitution of existing Article 1.2 with the following:

“1.2 Subject as hereinafter provided, the regulations contained in Table ‘F’ in Schedule I of the Act (*defined below*) shall apply to the Company except in so far as is impliedly or expressly modified by the Articles mentioned, as altered or amended from time to time.”

- b) By deletion of Article 3 including its clause and sub-clauses viz., “3.1”, “3.1.1” and “3.1.2”.

**RESOLVED FURTHER THAT** any of the directors, chief financial officer and/or company secretary of the Company and such other persons as may be authorised by the Board, be and are hereby severally authorised to make application, file forms, etc. for change of status of the Company and consequently its name with the Registrar of Companies and are hereby further authorised to do all such acts, deeds, matters and things as may be required or deemed expedient to give effect to the above resolution.



**RESOLVED FURTHER THAT** any of the directors, chief financial officer and/or company secretary of the Company be and are hereby severally authorized by the Company to certify a true copy of this resolution and provide the same to all concerned parties and relevant statutory authorities, if any."

### 3. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION


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

**"RESOLVED THAT** pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 33 of Companies (Incorporation) Rules, 2014 and (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) (the "Act" colly.), and in accordance with the provisions of the Memorandum and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to alter the Articles of Association of the Company in the following manner and as per the draft amended Articles of Association of the Company placed before the meeting:

1. That the existing Articles of Association (as altered under the previous Item No.2) which include Investor specified Articles as placed before the meeting be and are hereby adopted and be titled and named as "Part - B".
2. That a new set of Articles of Association of the Company titled and named as "Part - A" with relevant preamble be inserted.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to verify, sign and execute letters, forms and other documents, make filings with the Registrar of Companies and any other statutory / regulatory authorities and do all such acts, deeds and things as may be necessary to give effect to the above resolution."

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



Jayant Prakash  
**General Counsel and Company Secretary**  
(Mem: F6742)

Address: 605 & 606, 6<sup>th</sup> Floor, Trade Centre, Bandra Kurla Complex  
Bandra East, Mumbai - 400051

Date: August 05, 2023



**NOTES: -**

- 1) The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 3) Proxies, in order to be effective, must be received in the enclosed Proxy Form at the Registered Office of the company not less than forty-eight hours before the time fixed for the Meeting.
- 4) Documents relating with these businesses and registers are available for inspection till date of AGM on all working days (except Saturday & Sunday) at Registered Office of the company during business hours.
- 5) A Corporate Member intending to send its authorised representative(s) to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
- 6) Proxy Form and Attendance Slip are enclosed.
- 7) The route map of venue of the meeting is attached.



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

**ITEM NOS. 2 and 3:**

**2. CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED COMPANY and  
3. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION**

The Company is proposing to undertake an initial public offer (IPO) of the equity shares and list the Equity Shares on one or more of the stock exchanges.

In order to undertake the Offer, the Company is required to be converted into a public limited company in accordance with the applicable provisions of the Companies Act, 2013, as amended, and rules and made thereunder ("Companies Act, 2013"). Pursuant to the said conversion of the Company, the name of the Company would require to be altered to "Entero Healthcare Solutions Limited" by deletion of the word "Private".

Consequent upon the conversion of Company into a public company, the Memorandum of Association and Articles of Association would need to be amended to reflect the changed status of the company from private limited to a public limited company in the name clause and other clauses wherever the name of the company is appearing. Further Article No. 1.2 would require consequential amendment by deletion of reference to "private company" in respect of applicability provisions of Table F of Schedule I of the Companies Act, 2013 as may be applicable to it; and Article 3 (including its clause and sub clauses mentioned in the resolution) which contains the mandatory restrictions pertaining to a private company would need to be deleted upon the conversion. Pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 as applicable, any amendment in memorandum of association and the Articles of Association requires approval of the shareholders of the Company.

Further in relation to the proposed IPO and consequent listing of Equity Shares of the Company on stock exchanges, the articles of association of the Company would also need to be amended/ revised in accordance with listing requirements. However in order to retain the provisions of the investor related restrictions (entrenchment provisions) the existing Articles of Association (as amended by Special Resolution proposed under Item No.2) is proposed to be retained and renamed as Part B and a new set of Articles titled Part A is proposed to be added such that Part A and Part B would co-exist together till filing of Red Herring Prospectus with the Registrar of Companies and upon filing of the same, Part B would automatically stand deleted without any further action in this regard. Till the existence of Part B of the Articles, any inconsistencies between the provisions of Part A and Part B, the provisions of Part B would prevail.

As per provisions of Section 14 of the Companies Act, 2013 and the rules made thereunder, any alteration/amendment to Articles of Association would require approval of members of the Company by way of Special Resolution.

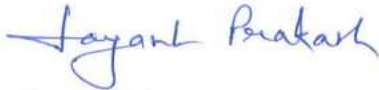
The copies of the existing and proposed altered Memorandum of Association and new set of Articles of Association of the Company, comprising of Part A and Part B (after making consequential changes on account of conversion of Company to Public Limited) are available for inspection by the members at the registered office of the Company on all working days, during business hours up to the date of the meeting and will also be made available at the meeting.



None of the directors, key managerial personnel, of the Company or the relatives of the aforementioned persons are in any way, financially or otherwise concerned or interested in the said resolutions, except to the extent of their shareholding in the Company.

The board of directors of the Company recommends the resolutions set out at Item Nos. 2 and 3 of the accompanying Notice for your approval as special resolutions.

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



Jayant Prakash

**General Counsel and Company Secretary**

(Mem: F6742)

Address: 605 & 606, 6<sup>th</sup> Floor, Trade Centre, Bandra Kurla Complex  
Bandra East, Mumbai – 400051

Date: August 05, 2023



**ATTENDANCE SLIP**

I hereby record my presence at the **05<sup>th</sup> ANNUAL GENERAL MEETING** of the members of **Entero Healthcare Solutions Private Limited** ("the Company") held on **Monday, August 07, 2023 at 11:00 A.M.** at 605 & 606, 6<sup>th</sup> Floor, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra.

Full Name of the Member (in BLOCK LETTERS).....

Regd. Folio No. ....

DP ID.....

Client ID.....

No. of Shares held.....

Full Name of the Proxy (in BLOCK LETTERS) .....

Member's/Proxy's Signature.....

*Note:* Please fill up this attendance slip and hand over at the entrance of the meeting place.



**FORM NO. MGT-11**

**PROXY FORM**

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

**CIN:** U74999HR2018PTC072204

**NAME OF THE COMPANY:** ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED

**REGISTERED OFFICE:** Plot No. I-35, Building -B, Industrial Area Phase-I, 13/7 Mathura Road, Faridabad Haryana - 121003.

Name of the member(s): .....  
Registered Address .....  
Email-id: .....  
Folio No: .....

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

1. Name:  
Address:  
E-mail Id:  
Signature:....., or failing him
2. Name:  
Address:  
E-mail Id:  
Signature:....., or failing him
3. Name:  
Address:  
E-mail Id:  
Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **05<sup>th</sup> ANNUAL GENERAL MEETING** to be held on Monday, 07<sup>th</sup> August, 2023 at 11:00 A.M. at 605 & 606, 6th Floor, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra and at any adjournment thereof in respect of such resolutions mentioned in Notice.

Signed this..... day of..... 2023

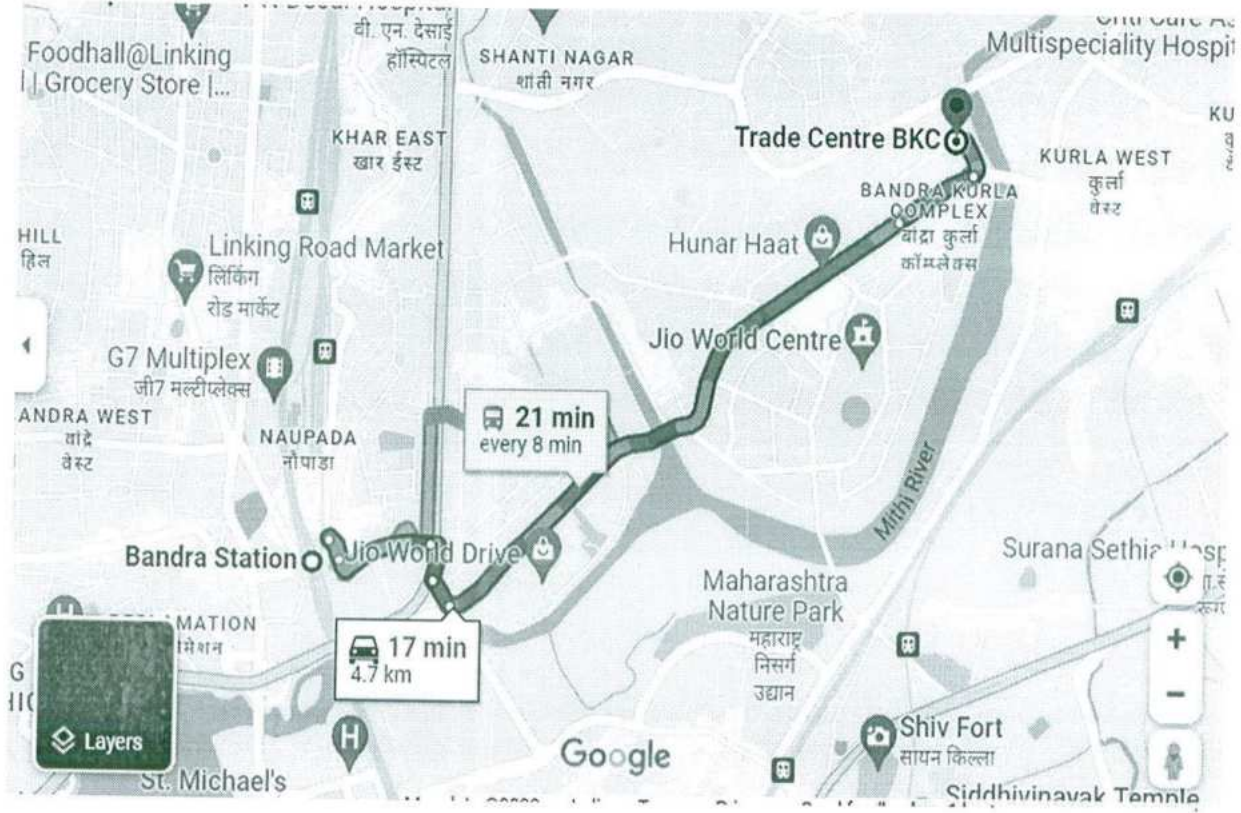
Signature of shareholder .....

Signature of Proxy holder(s) .....

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



**ROUTE MAP**



## BOARD'S REPORT

To  
 The Members,  
**Entero Healthcare Solutions Private Limited**  
 Plot No. I-35, Building -B, Industrial Area Phase-I,  
 13/7 Mathura Road, Faridabad - 121003

The Board of Directors of your Company are pleased to present their report together with the audited financial statements for the financial year ended on March 31, 2023.

### 1. STATE OF COMPANY'S AFFAIRS

The total income of the Company during the year under review on standalone basis was Rs. 2,302.56 million as against Rs. 1,641.58 million of previous year. The total income of the Company during the year under review on consolidated basis was Rs. 33,057.21 million as against Rs. 25,265.48 million of previous year. The loss after tax on standalone basis was Rs. 124.55 million as compared to previous year loss after tax of Rs. 408.47 million.

### 2. FINANCIAL SUMMARY

(Amount in Rs. Million)

Particulars	Standalone		Consolidated	
	For the financial year ended 31/03/2023	For the financial year ended 31/03/2022	For the financial year ended 31/03/2023	For the financial year ended 31/03/2022
Total Income	2,302.56	1,641.58	33,057.21	25,265.48
Total Expenses	2,427.11	2,050.05	33,094.09	25,463.59
Profit / (Loss) before tax	(124.55)	(408.47)	(36.88)	(198.11)
Profit or (Loss) After Tax for the year	(124.55)	(408.47)	(111.04)	(294.38)

The highlights of the financial performance of the subsidiaries of the Company including disclosures in the format of form AOC 1 as on March 31, 2023, are enclosed as Annexure I to this report. The Board do not recommend any amount to be transferred to reserves.

### 3. SHARE CAPITAL

The Authorized share capital of the Company as on March 31, 2023 was Rs. 8,043.5 million (Rupees Eight Billion Forty-Three Million Five Hundred Thousand only) divided into 4.570 million (Four million Five Hundred Seventy Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each and 799.78 million (Seven Ninety-Nine Million Seven Hundred Eighty Thousand) Compulsorily Convertible Cumulative Preference Shares of Rs. 10/- (Rupees Ten only) each.

The paid up share capital of the Company as on March 31, 2023 was Rs. 6,677.25 million (Rupees Six Billion Six Hundred and Seventy-Seven Million Twenty-Five Thousand only) consisting of Equity Share Capital of Rs 41.11 million and Compulsorily Convertible Cumulative Preference Share Capital of Rs. 6636.14 million.

The issued, subscribed and paid-up share capital increased from Rs. 6,228.4 million as on March 31, 2022 to Rs. 6,677.25 million as on March 31, 2023. During the year under review, the Company had undertaken following transactions relating to share capital of the Company:

Increase in Share Capital	The Company had issued and allotted 4,46,23,974 Compulsorily Convertible Cumulative Preference Shares of various series and 2,61,327 Equity Shares on Rights basis during the year under review.
Buy Back of Securities	Nil
Sweat Equity	Nil
Bonus Shares	Nil
Employees Stock Option Plan	Nil

#### 4. DIVIDEND

Your directors do not recommend any dividend for the year ended on March 31, 2023 considering loss incurred by the Company.

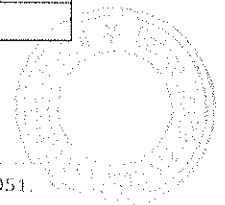
#### 5. EXTRACT OF ANNUAL RETURN:

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

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

During the period under review, the Board of Directors of your Company met Ten (10) times and the gap between two meetings did not exceed as prescribed under the Companies Act, 2013 and rule and circulars issued thereunder. The Board Meetings were held on 9-June-2022, 14-July-2022, 12-Sept-2022, 11-Oct-2022, 17-Oct-2022, 19-Oct-2022, 21-Dec-2022, 03-Jan-2023, 13-Mar-2023, 25-Mar-2023.

S. No.	Name of Directors	No. of Meetings	
		Entitled to attend	Attended
1.	Mr. Prabhat Agrawal	10	10
2.	Mr. Prem Sethi	10	10



3.	Dr. Sunny Sharma	10	10
4.	Mr. Vipul Desai	10	10
5.	Mr. Arun Sadhanandham	10	10

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

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

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

None of the directors are liable to retire by rotation.

### A. Changes in Board Structure:

- a. Appointment : Nil
- b. Cessation : Nil

### B. Changes in KMP:

- a. Appointment : Mr. Venkataramana Ram Cheboluwas appointed as Chief Financial Officer w.e.f. March 13, 2023
- b. Cessation : N.A.

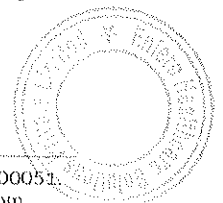
## 8. COMPOSITION OF COMMITTEES OF BOARD

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

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to the material departures;
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a



true and fair view of the state of affairs of the company at the end of the financial year ended March 31, 2023, and of the loss of the Company for the period;

3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors had prepared the annual accounts on a going concern basis; and
5. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **10. STATUTORY AUDITORS**

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

#### **11. REPORTING OF FRAUDS**

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

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

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

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

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

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



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

No material changes and commitments, affecting the financial position of the Company, occurred from the end of the financial year 2022-23 till the date of this report.

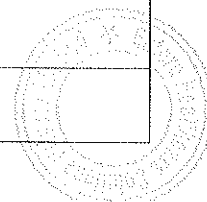
**15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**(A) CONSERVATION OF ENERGY-**

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

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



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

Particulars	For the period ended 31/03/2023 (In INR at actual)	For the year ended 31/03/2022 (In INR at actual)
Foreign exchange earning	-	-
Foreign exchange outgo*	4,43,41,617	117,787,098
*including advance to vendors of INR 19,79,761 for financial year ended March 31, 2023 and INR 14,12,798 for financial year ended March 31, 2022.		

**16. RISK MANAGEMENT POLICY:**

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

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

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

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

Sr. No.	Particulars	Amount (in INR)
1.	Accepted during the year	NIL
2.	Remained unpaid or unclaimed as at the end of the year	NIL
3.	Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount	NIL

Sr. No.	Particulars	Amount (in INR)
	involved: i. at the beginning of the year ii. Maximum during the year iii. at the end of the year	
4.	Details of deposits which are not in compliance with the requirements of Chapter V of the Act	NIL

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

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

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

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

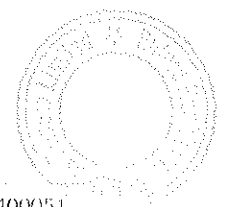
Your Company has a set of procedures which enables to implement internal financial control across the organization and ensure that the same are adequate and operating effectively.

**21. PARTICULARS OF REMUNERATION OF EMPLOYEES**

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

**22. CORPORATE SOCIAL RESPONSIBILITY:**

The Company's networth exceeded the limits prescribed under Section 135(1) of the Companies Act, 2013 and accordingly, the provisions relating to Corporate Social Responsibility became applicable to the Company. However, the Company was not required to constitute Corporate Social Responsibility Committee and was not required to spend any amount as the Company had incurred loss during the previous financial year. Therefore, the details pertaining to amount being spent for CSR are not applicable and hence the CSR Report is not annexed to this report.



### **23. PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has zero tolerance for sexual harassment at workplace. The Company has constituted an Internal Complaints Committee and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The objective of this policy is to lay clear guidelines and provide right direction in case of any reported incidence of sexual harassment across the Company's offices, and take appropriate decision in resolving such issues.

During the financial year 2022-23, the Company has not received any complaint on sexual harassment.

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

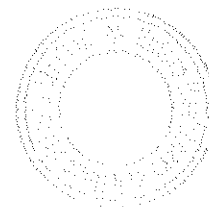
During the period, the Company is in compliance with the applicable Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs with all amendments thereto.

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

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

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

1. On 28 June 2023, the group entered into a definitive agreement for acquisition of the entire trading of pharma products business of RS Enterprises (Bangalore) Private Limited. Pursuant to the definitive agreement, the aforesaid business will be transferred to the group as a going concern on a slump sale basis.
2. The Company has filed an application for Compounding of Offence under RBI Master Direction FED Master Direction No 4/2015-16 at RBI regional Office Delhi on July 28, 2023, in respect of delayed reporting of Downstream Investment (DI) made in 17 subsidiaries and compounding application is currently pending before the RBI.



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

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

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

The list of subsidiaries and shareholding of the Company in respective subsidiaries as on March 31, 2023 are as follows:

S. No.	Name of the Subsidiary Company	Percentage holding
1.	Atreja Healthcare Solutions Private Limited ('AHSPL')	100%
2.	Avenues Pharma Distributors Private Limited ('Avenues')	100%
3.	Barros Enterprises Private Limited ('Barros')	100%
4.	Calcutta Medisolutions Private Limited ('Calcutta')	100%
5.	Chethana Healthcare Solutions Private Limited ('CHSPL')	100%
6.	Chethana Pharma Distributors Private Limited ('CPDPL')	100%
7.	Chethana Pharma Private Limited ('CPPL')	100%
8.	Chhabra Healthcare Solutions Private Limited ('Chhabra')	100%
9.	Chirag Medicare Solutions Private Limited ('Chirag')	100%
10.	City Pharma Distributors Private Limited ('City Pharma')	100%
11.	CPD Pharma Private Limited ('CPD')	100%
12.	Curever Pharma Private Limited ('Curever')	100%
13.	G.S. Pharmaceutical Distributors Private Limited ('GS')	100%
14.	Galaxystar Pharma Distributors Private Limited ('Galaxystar')	100%
15.	Getwell Medicare Solution Private Limited ('Getwell')	85%
16.	Jaggi Enterprises Private Limited ('Jaggi')	100%
17.	Millennium Medisolutions Private Limited ('Millennium')	100%
18.	New RRPD Private Limited ('RRPD')	100%
19.	New Siva Agencies Private Limited ('NSAPL')	100%
20.	Novacare Healthcare Solutions Private Limited ('Novacare')	100%
21.	Quomed Lifesciences Private Limited ('Quomed')	100%
22.	R S M Pharma Private Limited ('RSM')	100%
23.	Rada Medisolutions Private Limited ('Rada')	100%
24.	Rimedio Pharma Private Limited ('Rimedio')	100%
25.	Sesha Balajee Medisolutions Private Limited ('Sesha Balajee')	100%
26.	Sree Venkateshwara Medisolutions Private Limited ('SVMPL')	100%
27.	Sri Parshva Pharma Distributors Private Limited ('Sri	100%

S. No.	Name of the Subsidiary Company	Percentage holding
	Parshva')	
28.	Sri Rama Pharmaceutical Distributors Private Limited ('Sri Rama')	100%
29.	Sundarlal Pharma Distributors Private Limited ('Sundarlal')	100%
30.	SVMED Solutions Private Limited ('SVMED')	100%
31.	Swami Medisolutions Private Limited ('SMPL')	100%
32.	Vasavi Medicare Solutions Private Limited ('Vasavi')	100%
33.	Western Healthcare Solutions Private Limited ('WHSPL')	100%
34.	Zennx Software Solutions Private Limited ('ZSSPL')	100%
35.	Saurashtra Medisolutions Private Limited ('Saurashtra')	100%
36.	SVS Lifesciences Private Limited ('SVS')	100%
37.	S.S. Pharma Traders Private Limited ( 'SS Pharma')	100%

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

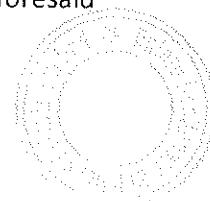
#### 29. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

The Company had entered into related party transaction with its subsidiaries and pursuant to notification of Ministry of Corporate Affairs vide reference no. G.S.R. 464(E) dated June 5, 2015, subsidiaries of a holding company are exempted from being related party as defined under Section 2(76) of the Companies Act, 2013. Accordingly, the disclosures of such transactions under form AOC 2 are not applicable to the Company. Further the details of such transaction's forms part of note no. 46 of the standalone financial statements of the Company for the financial year ended March 31, 2023. Those transactions entered by the Company were in ordinary course of business and on arm's length basis.

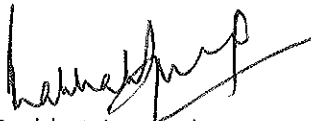
Additionally, the disclosures of related party transactions other than the aforesaid mentioned transactions are annexed to this Report in Form AOC-2 as **Annexure III**.



### 31. ACKNOWLEDGEMENTS

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

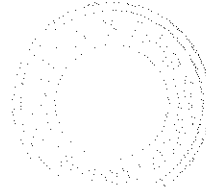
For and on behalf of the board of directors of  
**Entero Healthcare Solutions Private Limited**



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



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



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

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

Date: August 03, 2023

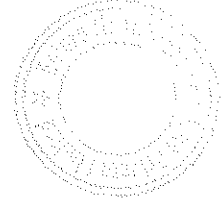


Entero Healthcare Solutions Private Limited  
 Reg. Office : Plot No. I-35, Building - B,  
 Industrial Area, Phase I, 13/7, Mathura  
 Road, Faridabad, Haryana - 121003  
 CIN: U74999HR2018PTC072204

**Annexure I  
 Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
 Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2023**

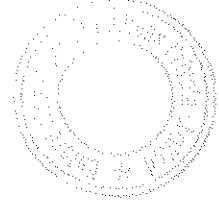
Names		(Amounts in Rs. million)									
Particulars	GS	Novacare	RSM	Getwell	Sundarlal	Chhabra	Galaxystar	Avenues	Chirag	Jaggi	
Date since when subsidiary was acquired	09-Aug-18	09-Aug-18	14-Aug-18	26-Dec-18	29-Dec-18	19-Jan-19	21-Feb-19	15-Apr-19	15-May-19	20-May-19	
Share Capital	36.00	110.00	15.00	80.00	10.00	0.10	10.00	0.10	1.00	0.10	
Reserves & surplus	-24.60	64.65	77.23	95.69	74.08	27.33	34.03	7.23	169.26	9.36	
Total assets	333.01	1,211.55	520.53	594.80	62.45	190.49	365.05	841.61	454.66	351.98	
Total liabilities	321.61	1,166.20	428.30	419.11	126.53	217.72	321.02	834.28	284.40	361.24	

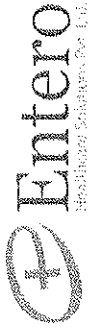




Entero Healthcare Solutions Private Limited  
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 Industrial Area, Phase I, 13/7, Mathura  
 Road, Faridabad, Haryana - 121003  
 CIN: U74999HR2018PTC072204

Investments	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	966.85	2,994.41	2,990.92	1,941.64	321.16	753.60	2,121.88	2,794.27	1,948.10	1,105.75		
Profit / (Loss) before tax	-7.57	1.37	52.26	40.32	17.31	8.39	34.14	4.54	68.70	4.67		
Provision for taxation	-	-	7.13	-	-	-	-	-	4.94	-		
Profit or (Loss) After Tax for the year	-7.57	1.37	38.14	30.23	17.31	8.39	28.81	4.29	51.12	4.67		
Proposed Dividend	-	-	-	-	-	-	-	-	-	-		
% of shareholding	100%	100%	100%	85%	100%	100%	100%	100%	100%	100%		



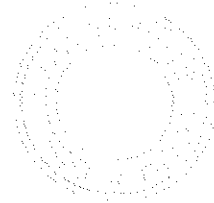


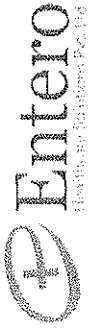
Entero Healthcare Solutions Private Limited  
 Reg. Office : Plot No. 1-35, Building - B,  
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**Annexure I  
 Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
 Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2023**

Names Particulars	(Amounts in Rs. million)									
	CHSPL	Vasavi	SVMED	CPPL	Millennium	Rada	Sesha Balajee	Barros	Quomed	Rimedio
Date since when subsidiary was acquired	29- May- 19	31-May- 19	12-Jun- 19	06-Aug- 19	07-Aug-19	21- Aug- 19	13-Jan- 20	02- Mar-20	26-Mar- 2020*	26-Mar- 2020*
Share Capital	1.00	0.10	0.10	3.00	0.10	0.10	0.10	0.10	0.10	0.10
Reserves & surplus	13.87	4.46	13.37	178.67	8.91	11.20	14.90	42.66	-	0.16
Total assets	131.73	250.40	338.67	467.98	531.77	192.04	266.63	194.88	0.04	0.05
Total liabilities	116.85	254.76	325.20	286.31	522.76	203.14	251.63	152.12	0.08	0.11
Investments	-	-	-	-	-	-	-	-	-	-

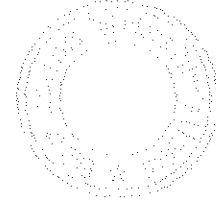


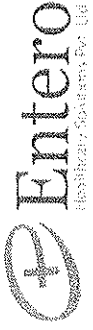


Entero Healthcare Solutions Private Limited  
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Turnover	463.18	1,013.07	904.79	1,972.76	1,580.72	684.54	722.38	617.79	-	-
Profit / (Loss) before tax	5.28	8.03	10.43	74.58	-14.14	4.21	0.98	13.74	0.07	0.08
Provision for taxation	0.09	-	-	2.02	-	-	-	-	-	-
Profit or (Loss) After Tax for the year	5.12	6.04	8.41	55.53	-11.05	4.21	1.10	10.22	0.07	0.08
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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



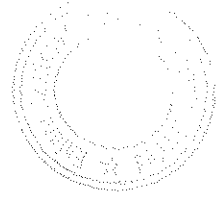


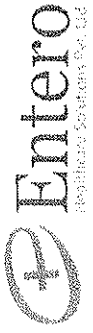
Entero Healthcare Solutions Private Limited  
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**Annexure I  
 Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
 Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2023**

Names Particulars	(Amounts in Rs. million)									
	CPDPL	SVMPL	CPD	Calcutta	Curever	WH SPL	AHSPL	City Pharma	ZSSPL	NSAPL
Date since when subsidiary was acquired	08-Apr- 2020*	06-Aug- 20	14-Sep- 20	01-Jan- 21	19-Jan- 2021*	01-Apr- 21	14-Apr- 21	14-Apr- 21	09- Nov- 2021*	02-Dec- 21
Share Capital	0.10	0.10	0.10	0.10	0.10	0.15	0.10	0.10	0.10	0.10
Reserves & surplus	11.30	7.33	7.78	5.59	329.39	36.35	5.26	9.61	0.06	1.31
Total assets	47.55	81.19	35.33	53.26	99.34	330.88	54.48	50.30	0.09	91.10
Total liabilities	58.75	88.42	43.01	58.75	428.64	294.38	59.64	59.81	0.05	92.31
Investments	-	-	-	-	-	-	-	-	-	-
Turnover										

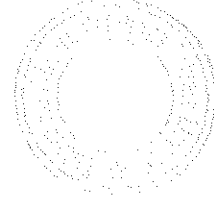




Entero Healthcare Solutions Private Limited  
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 CIN: U74999HR2018PTC072204

	105.35	221.64	121.59	132.54	44.76	964.78	181.03	87.51	-	318.96
<b>Profit / (Loss) before tax</b>	-3.37	3.26	6.71	5.40	152.99	21.23	4.05	6.52	0.04	3.19
Provision for taxation	-	-	0.04	-	-	2.55	-	-	-	-
<b>Profit or (Loss) After Tax for the year</b>	-3.37	3.26	5.23	4.09	152.99	15.77	4.05	6.52	0.04	1.71
Proposed Dividend	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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





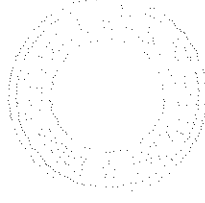
Entero Healthcare Solutions Private Limited  
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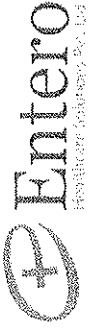
**Annexure I  
 Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
 Statement containing salient features of the financial statement of subsidiaries for the financial year ended March 31, 2023**

(Amounts in Rs. million)

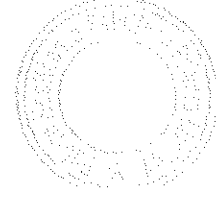
Names Particulars	RRPD	SMPL	Sri Parshva	Sri Rama
Date since when subsidiary was acquired	03- Dec- 21	21- Dec- 21	01-Feb- 22	01-Mar- 22
Share Capital	0.10	0.10	0.10	0.05
Reserves & surplus	-3.89	3.53	9.18	13.61
	-3.79	3.43	9.28	13.66
Total assets	79.37	96.36	751.87	1,037.16





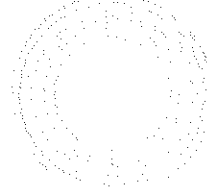
Entero Healthcare Solutions Private Limited  
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Total liabilities	83.16	99.79	742.59	1,023.50
Investments	-	-	-	-
Turnover	230.93	185.16	1,705.84	1,630.00
Profit (Loss) before tax	-6.61	1.65	10.58	20.33
Provision for taxation	0.01	-	0.03	-
Profit or (Loss) After Tax for the year	-4.96	1.65	7.90	15.29
Proposed Dividend	-	-	-	-
% of shareholding	100%	100%	100%	100%

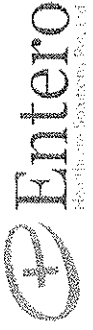




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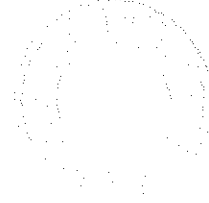


Names	SS	SVS	Saurashtra
Particulars			
Date since when subsidiary was acquired	03-Dec-21	21-Dec-21	01-Feb-22
Share Capital	0.10	0.10	0.10
Reserves & surplus	11.34	-2.02	-3.68
	11.44	-1.92	-3.58
Total assets	306.71	150.86	157.95
Total liabilities	295.27	152.78	161.53
Investments	-	-	-
Turnover	357.74	206.07	272.43



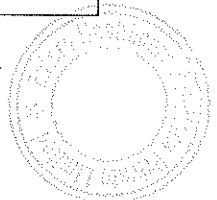
Entero Healthcare Solutions Private Limited  
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 CIN: U74999HR2018PTC072204

Profit / (Loss) before tax	15.18	-2.02	-3.68
Provision for taxation	2.22	-	0.03
Profit or (Loss) After Tax for the year	11.34	-2.02	-3.68
Proposed Dividend	-	-	-
% of shareholding	100%	100%	100%

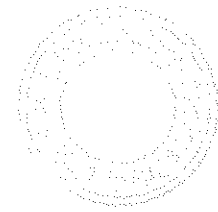


**Annexure II**
**Particulars of inter corporate deposit, investments and corporate guarantees:**
**Inter corporate deposit (ICD):**

S. No.	Name of the Company	Gross amount of ICD granted during the year	Balance/outstanding amount of ICD as at end of the financial year
		(Rs. In million)	(Rs. In million)
1	Novacare Healthcare Solutions Private Limited	5.50	221.44
2	G.S.Pharmaceutical Distributors Private Limited	-	118.00
3	R S M Pharma Private Limited	0.02	112.08
4	Galaxystar Pharma Distributors Private Limited	-	55.54
5	Sundarlal Pharma Distributors Private Limited	-	79.62
6	Chhabra Healthcare Solutions Private Limited	-	109.94
7	Getwell Medicare Solution Private Limited	-	68.13
8	Avenues Pharma Distributors Private Limited	22.00	343.10
9	Barros Enterprises Private Limited	-	69.03
10	Chethana Healthcare Solutions Private Limited	-	44.70
11	Atreja Healthcare Solutions Private Limited	9.50	45.60
12	City Pharma Distributors Private Limited	2.00	36.70
13	New RRPD Private Limited	-	59.30
14	New Siva Agencies Private Limited	-	65.90
15	Sri Parshva Pharma Distributors Private Limited	124.60	368.28
16	Sri Rama Pharmaceutical Distributors Private Limited	354.90	476.93
17	S.S. Pharma Traders Private Limited	136.54	136.54



18	Saurashtra Medisolutions Private Limited	101.30	101.30
19	Swami Medisolutions Private Limited	8.15	70.45
20	Western Healthcare Solutions Pvt Ltd	-	127.70
21	Chethana Pharma Private Limited	-	15.00
22	Chirag Medicare Solutions Private Limited	-	21.58
23	Jaggi Enterprises Private Limited	-	157.07
24	Millennium Medisolutions Private Limited	35.00	234.98
25	Rada Medisolutions Private Limited	-	65.35
26	Sesha Balajee Medisolutions Pvt Ltd	3.00	127.36
27	SVMED Solutions Private Limited	28.72	136.31
28	SVS Lifesciences Private Limited	65.00	65.00
29	Vasavi Medicare Solutions Private Limited	6.50	118.54
30	Calcutta Medisolutions Private Limited	18.00	35.40
31	Curever Pharma Private Limited	250.90	355.10
32	Sree Venkateshwara Medisolutions Private Limited	22.50	57.85
33	Chethana Pharma Distributors Private Limited	4.00	15.00
34	Chhabra Healthcare Solutions Private Limited	29.00	109.94
35	CPD Pharma Private Limited	7.79	28.23



**Investments:**

The details of amounts of investment made by the Company as on financial year ended March 31, 2023 are as follows:

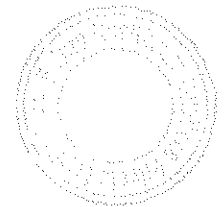
S No	Company	Amount (Rs. In million)
1	Novacare Healthcare Solutions Private Limited	110.00
2	G.S.Pharmaceutical Distributors Private Limited	36.00
3	R S M Pharma Private Limited	47.70
4	Galaxystar Pharma Distributors Private Limited	57.90
5	Sundarlal Pharma Distributors Private Limited	32.90
6	Chhabra Healthcare Solutions Private Limited	35.00
7	Getwell Medicare Solution Private Limited	68.00
8	Avenues Pharma Distributors Private Limited	0.10
9	Barros Enterprises Pvt Ltd	0.10
10	Chethana Healthcare Solutions Private Limited	1.00
11	Chethana Pharma Private Limited	3.00
12	Chirag Medicare Solutions Private Limited	1.00
13	Jaggi Enterprises Private Limited	0.10
14	Millennium Medisolutions Private Limited	0.10
15	Rada Medisolutions Private Limited	0.10
16	Sesha Balajee Medisolutions Pvt Ltd	0.10
17	SVMED Solutions Private Limited	0.10
18	Vasavi Medicare Solutions Private Limited	0.10
19	Chethana Pharma Distributors Private Limited	0.10
20	Sree Venkateshwara Medisolutions Private Limited	0.10
21	CPD Pharma Private Limited	10.10
22	Calcutta Medisolutions Private Limited	0.10
23	Curever Pharma Private Limited	0.10
24	Rimedio Pharma Private Limited	0.10
25	Quromed Life Sciences Private Limited	0.10
26	Western Healthcare Solutions Private Limited	0.10
27	Atreja Healthcare Solutions Private Limited	0.10
28	City Pharma Distributors Private Limited	0.10
29	Swami Medisolutions Private Limited	0.10
30	Saurashtra Medisolutions Private Limited	0.10
31	SVS Lifesciences Private Limited	0.10
32	S.S. Pharma Traders Private Limited	0.10
33	New Siva Agencies Private Limited	0.10
34	New RRPD Private Limited	0.10
35	Sri Rama Pharmaceutical Distributors Private Limited	0.10
36	Sri parshva Pharma Distributors private limited	0.10
37	Zennx Software Solutions Private Limited	0.10

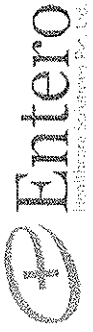
### Corporate Guarantee

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

S No	Name of the Company	Outstanding amount of corporate guarantee at the end of financial year	Overall amounts of corporate guarantee provided
		(Amounts Rs. In million)	(Amounts Rs. In million)
1.	Novacare Healthcare Solutions Private Limited	431.05	500.00
2.	Getwell Medicare Solution Private Limited	211.81	250.00
3.	Avenues Pharma Distributors Private Limited	330.86	350.00
4.	Chethana Healthcare Solutions Private Limited	38.10	50.00
5.	Chirag Medicare Solutions Private Limited	126.59	150.00
6.	R S M Pharma Private Limited	165.29	250.00
7.	G.S.Pharmaceutical Distributors Private Limited	112.86	120.00
8.	Chhabra Healthcare Solutions Private Limited	53.99	50.00
9.	Sundarlal Pharma Distributors Private Limited	20.56	70.00
10.	SVMED Solutions Private Limited	99.77	150.00
11.	Galaxystar Pharma Distributors Private Limited	104.29	150.00
12.	Jaggi Enterprises Private Limited	91.63	120.00
13.	Chethana Pharma Private Limited	132.97	150.00
14.	Millennium Medisolutions Private Limited	121.47	150.00
15.	Rada Medisolutions Private Limited	97.00	100.00
16.	Sri Rama Pharmaceutical Distributors Private Limited	158.64	158.64
17.	Sri parshva Pharma Distributors private limited	228.84	228.84
18.	Barros Enterprises Private Limited	39.61	67.00

19.	Sesha Balajee Medisolutions Private Limited	55.34	150.00
20.	Vasavi Medicare Solutions Private Limited	76.83	150.00
21.	Western Healthcare Solutions Private Limited	67.55	80.00





Entero Healthcare Solutions Private Limited  
 Reg. Office : Plot No. 1-35, Building - B,  
 Industrial Area, Phase I, 13/7, Mathura  
 Road, Faridabad, Haryana - 121003  
 CIN: U74999HR2018PTC072204

**Annexure- III**

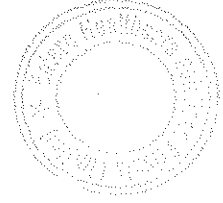
**Form AOC-2**

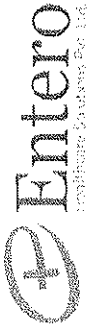
(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

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



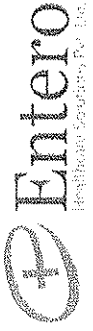


Entero Healthcare Solutions Private Limited  
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 C.IN: U74999HR2018PTC072204



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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any or Transaction amount (Rs. In million):
	(a)	(b)	(c)	(d)	(e)	(f)
1.	M/s. Technomax Infosolutions (Relative of Director is a Partner in this firm)	To obtain software service for generating e-invoices at multiple locations of the Company. To obtain additional features of the software as and when necessary and impart training to employees of the Company	On-going basis	In ordinary course of business and on arm's length basis	June 09, 2022	0.5
2.	S & A Law Offices (Relative of Director is a proprietor)	To avail legal advisory services, assistance in drafting, vetting, review of agreements, complaints, written statements, notices, etc and appearing before various courts and tribunals on behalf of the	On-going retainership / arrangement / agreement dated February 18, 2022, for a period of 24 months.	In ordinary course of business and on arm's length basis	June 09, 2022	0.5




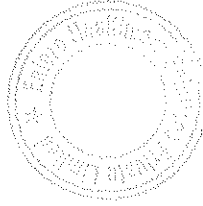
Entero Healthcare Solutions Private Limited  
 Reg. Office : Plot No. F-35, Building - B,  
 Industrial Area, Phase I, 13/7, Mathura  
 Road, Faridabad, Haryana - 121003  
 CIN: U74999HR2018PTC072204

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any or Transaction amount (Rs. In million):
	(a)	(b)	(c)	(d)	(e)	(f)
		Company.				

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

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

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



Address: 29th Floor, N 2901, Address: House No - 03,  
 Lodha World One, Senapati Sector- 37, Amarnagar,  
 Bapat Marg, Upper Worli, Faridabad - 121003.  
 Delisle Road, Mumbai -  
 400013

Date: August 03, 2023  
 Place: Mumbai

Date: August 03, 2023  
 Place: Mumbai

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Entero Healthcare Solutions Private Limited

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

**Opinion**

We have audited the accompanying standalone financial statements of Entero Healthcare Solutions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

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

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

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



## Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those 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.



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- (d) In our opinion, the aforesaid standalone 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, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
  - v. The Company has neither declared nor paid any dividend during the year.
  - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.



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

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



Vaijayantimala Belsare  
Partner  
Membership No.049902  
UDIN: 23049902BGXVQK3566

Place: Mumbai  
Date: August 3, 2023



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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

  
Vaijayantimala Belsare  
Partner  
Membership No.049902  
UDIN: 23049902BGXVQK3566



Place: Mumbai  
Date: August 3, 2023

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ENTERO HEALTHCARE SOLUTIONS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

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

i.

(a)

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

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

(b) All the Property, Plant and Equipment and right of use assets were physically verified by the management in the current year in accordance with a planned programme of verifying them over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, 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 thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii.

(a) The Company has a system of Physical verification of inventory whereby all items of inventory are physically verified over a period of time at regular intervals during the year. Discrepancies, if any between physical stock and book records are adjusted in the books as and when the verifications and corresponding reconciliations are carried out. In our opinion, the frequency of verification, coverage 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. Confirmation has been received in respect of inventory lying with third party.

(b) The Company has not been sanctioned any working capital limits during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.



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iii.

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnership or any other parties during the year.

The Company does not have any joint ventures and/or associate companies. The Company has not provided security and advances in the nature of loans to subsidiaries and to other companies.

Requisite information of the guarantees provided and loans granted to subsidiaries and to other Company are as follows:

	(₹ in Millions)	
	Guarantees	Loans
Aggregate amount granted/provided during the year	240.00	1454.18
- Subsidiaries	240.00	1454.18
- Other Company	-	-
Balance Outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	2,346.90	4,143.20
- Other Company	-	0.73

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made, guarantees provided and the terms and conditions of the grant of loans are prima facie not prejudicial to the interests of the Company. The Company has not given security or granted any advances in the nature of loans during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of the unsecured loans given to companies, the principal and interest are repayable on demand. As informed to us, the borrowers have been regular in repayment of principal and interest as demanded by the Company during the year. Further the Company has not given any advance in the nature of loan to any party during the year.
- (d) 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 amounts overdue for more than ninety days in respect of the loan granted to other Companies. The Company has not granted loans to firms, Limited Liability Partnerships or any other parties.
- (e) According to the information and explanations provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.



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- (f) According to the information and explanations provided to us, the Company has granted loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

(₹ in Millions)

Particulars	All Parties	Promoters	Related Parties
<b>Aggregate amount of loans</b>			
- Repayable on demand (A)	4143.93	-	4143.20
- Agreement does not specify any terms or period of repayment (B)	-	-	-
<b>Total (A+B)</b>	4143.93	-	4143.20
<b>Percentage of loans/ advances in nature of loans to the total loans</b>	100%	-	99.98%

- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 01, 2017, these statutory dues has been subsumed into GST.

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, Duty of Customs, Cess, and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at March 31, 2023 for a period of more than six 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 of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess, and other statutory dues which have not been deposited on account of any dispute.



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- 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 explanations 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 standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has raised loans during the year on the pledge of securities held in its subsidiaries as per details below. Further, the Company has not defaulted in repayment of such loans raised.

(₹ in Millions)

Nature of loan taken	Name of Lender (Bank/NBFC/ Corporate etc.)	Amount of loan	Name of subsidiaries	Relation	Details of security pledged
Term Loan	Hero Fincorp Ltd (NBFC)	315	1.Saurashtra Medisolutions Private Limited 2.SVS Lifesciences Private Limited 3. SS Pharma Traders Private Limited	Subsidiary	Equity Shares
Term Loan	Patni Financial Advisors Private Limited (NBFC)	350	1.Calcutta Medisolutions Private Limited 2.Sree Venkateshwara Medisolutions Pvt Ltd	Subsidiary	Equity Shares



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- x.
- (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
  - (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 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) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
  - (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. 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 Sections 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by 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 require to comply with the provisions of section 138 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3(xiv) (a) and (b) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- 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 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)(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)© of the Order are not applicable to the Company.
  - (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the Company.



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- xvii. Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

(₹ in Millions)

Particulars	March 31, 2023 (Current year)	March 31, 2022 (Previous Year)
Cash Losses	55.54	315.73

- 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 standalone 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 applicable to the Company. However, the Company is not having adequate profits as computed under section 198 of the Companies Act, 2013 and hence, the Company is not required to spend any amounts during the current financial year for Corporate Social Responsibility. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

  
Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 23049902BGXVQK3566



Place: Mumbai  
Date: August 3, 2023

# MSKA & Associates

Chartered Accountants

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

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Entero Healthcare Solutions Private Limited on the Financial Statements for the year ended March 31, 2023]

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

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Entero Healthcare Solutions Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

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

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone<sup>1</sup> financial statements, whether due to fraud or error.

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



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

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

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

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

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

  
Vaijayantimala Belsare  
Partner  
Membership No.049902  
UDIN: 23049902BGXVQK3566



Place: Mumbai  
Date: August 3, 2023

Entero Healthcare Solutions Private Limited  
Standalone Balance Sheet as at 31 March 2023  
(Amount in Millions, unless otherwise stated)

Particulars	Notes	As at	
		31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	368.71	471.04
Other Intangible assets	6	37.79	43.15
Intangible asset under development	7	-	0.54
<b>Financial assets</b>			
Investments	8	406.40	394.30
Other financial Asset	9	36.48	28.17
Deferred tax asset (net)	10	-	-
Non Current tax assets (net)	11	56.26	30.95
<b>Total non-current assets</b>		<b>905.64</b>	<b>968.15</b>
<b>Current assets</b>			
Inventories	12	288.41	362.29
<b>Financial assets</b>			
Trade receivables	13	744.80	522.30
Cash and cash equivalents	14	61.15	302.02
Bank balances other than cash and cash equivalent	15	710.70	580.41
Loans	16	4,143.93	3,196.45
Other financial assets	17	468.10	312.11
Other current assets	18	312.93	297.10
<b>Total current assets</b>		<b>6,730.02</b>	<b>5,572.68</b>
<b>Total assets</b>		<b>7,635.66</b>	<b>6,540.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	41.12	38.50
Instrument entirely equity in nature	20	6,636.14	6,189.90
Other equity	21	(839.94)	(716.35)
<b>Total equity</b>		<b>5,837.32</b>	<b>5,512.05</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	280.00	-
Lease Liabilities	23	161.87	221.72
Provisions	24	10.43	7.46
<b>Total non-current liabilities</b>		<b>452.30</b>	<b>229.18</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	635.00	300.00
Lease Liabilities	23	38.85	33.24
Trade payables	25		
i) total outstanding dues of micro enterprises and small enterprises		1.18	3.73
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		556.29	343.77
Other financial liabilities	26	70.78	71.06
Other current liabilities	27	10.96	17.37
Provisions	24	32.98	30.43
<b>Total current liabilities</b>		<b>1,346.04</b>	<b>799.60</b>
<b>Total liabilities</b>		<b>1,798.34</b>	<b>1,028.78</b>
<b>Total equity and liabilities</b>		<b>7,635.66</b>	<b>6,540.83</b>

See accompanying notes to the financial statements

1-51

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

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

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

Vaijayantimala Belsare  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 03 AUG 2023



Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 03 AUG 2023

Prem Sethi  
Director  
DIN: 07077034

CV Ram  
CFO  
M.N.: 206013

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



Entero Healthcare Solutions Private Limited  
Statement of Profit and Loss for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

Particulars	Notes	For the Year ended	For the Year ended
		31 March 2023	31 March 2022
<b>Income</b>			
Revenue from operations	28	1,776.90	1,372.86
Other income	29	525.66	268.72
<b>Total income</b>		<b>2,302.56</b>	<b>1,641.58</b>
<b>Expenses</b>			
Purchase of Stock-in-trade	30	1,471.44	1,172.79
Changes in inventories of Stock-in-trade	31	73.88	111.57
Employee benefits expense	32	435.94	379.20
Finance costs	33	113.04	52.90
Depreciation and amortization expense	34	98.01	87.13
Other expenses	35	234.80	246.46
<b>Total expenses</b>		<b>2,427.11</b>	<b>2,050.05</b>
<b>Loss before tax</b>		<b>(124.55)</b>	<b>(408.47)</b>
<b>Tax expense</b>			
Current tax	36	-	-
Deferred tax	36	-	-
<b>Total income tax expense</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(124.55)</b>	<b>(408.47)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plan		0.96	(0.12)
Income tax effect		-	-
<b>Total</b>		<b>0.96</b>	<b>(0.12)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>0.96</b>	<b>(0.12)</b>
<b>Total comprehensive expense for the year</b>		<b>(123.59)</b>	<b>(408.59)</b>
<b>Earning/Loss per share</b>			
Basic (INR)	37	(0.19)	(0.72)
Diluted (INR)		(0.19)	(0.72)
See accompanying notes to the financial statements	1-51		

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

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

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



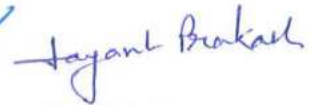
Vijayantimala Belsare  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 03 AUG 2023



Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 03 AUG 2023

Prem Sethi  
Director  
DIN: 07077034

CV Ram  
CFO  
M.N.: 206013



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



Entero Healthcare Solutions Private Limited  
 Standalone Statement of changes in equity for the year ended 31 March 2023  
 (Amount in Millions, unless otherwise stated)

(A) Equity share capital

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year		38.50	1.00
Changes in Equity Share capital during the year	19	2.61	37.50
Balance at the end of the year		41.12	38.50

(B) Other equity

Particulars	Instrument entirely equity in nature	Reserve and surplus	Total
		Retained earnings	
<b>Balance as at 31 March 2021</b>	<b>5,171.12</b>	<b>(307.75)</b>	<b>4,863.37</b>
Changes during the year			
Issued during the year	1,018.78	-	1,018.78
Loss for the year	-	(408.48)	(408.48)
Other comprehensive income for the year	-	(0.12)	(0.12)
Total comprehensive income for the year	1,018.78	(408.60)	610.18
<b>Balance as at 31 March 2022</b>	<b>6,189.90</b>	<b>(716.35)</b>	<b>5,473.55</b>
Changes during the year			
Issued during the year	446.24	-	446.24
Loss for the year	-	(124.55)	(124.55)
Other comprehensive income for the year	-	0.96	0.96
Total comprehensive income for the year	446.24	(123.59)	322.65
<b>Balance as at 31 March 2023</b>	<b>6,636.14</b>	<b>(839.94)</b>	<b>5,796.20</b>

See accompanying notes to the financial statements

1-51

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

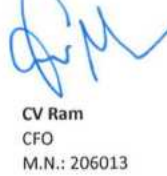
As per our report of even date  
 For M S K A & Associates  
 Chartered Accountants  
 Firm Registration No.:105047W

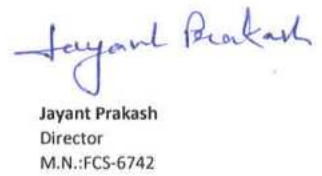
For and on behalf of the Board of Directors of  
 Entero Healthcare Solutions Private Limited  
 CIN: U74999HR2018PTC072204

  
 Vaijayantimala Belsare  
 Partner  
 Membership No: 049902  
 Place: Mumbai

  
 Prabhat Agrawal  
 Managing Director  
 DIN: 07466382  
 Place: Mumbai

  
 Prem Sethi  
 Director  
 DIN: 07077034

  
 CV Ram  
 CFO  
 M.N.: 206013

  
 Jayant Prakash  
 Director  
 M.N.:FCS-6742

Date: 03 AUG 2023

Date: 03 AUG 2023



Entero Healthcare Solutions Private Limited  
 Standalone Statement of cash flows for the year ended 31 March 2023  
 (Amount in Millions, unless otherwise stated)

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>Cash flow from operating activities</b>		
Loss before tax	(124.55)	(408.47)
Adjustments for:		
Depreciation and amortization expenses	98.01	87.13
Finance cost	113.04	52.90
Interest income	(513.85)	(259.55)
Provision for expected credit loss	7.68	5.60
Provision for sales return	-	12.51
Provision for retirement benefits and leave obligation	6.48	7.64
<b>Operating loss before working capital changes</b>	<b>(413.19)</b>	<b>(502.24)</b>
<b>Changes in working capital</b>		
Increase in trade payables	209.98	218.09
Decrease in inventories	73.88	111.57
Increase in trade receivables	(230.18)	(219.34)
(Decrease) in other current liabilities	(6.41)	(9.84)
Increase/ (Decrease) in other financial liabilities	(0.28)	14.43
Decrease/ (Increase) in other financial assets	(161.46)	1.35
Increase in other current assets	(16.12)	(51.40)
<b>Cash used in operations</b>	<b>(543.78)</b>	<b>(437.38)</b>
Income tax refund (including advance tax & TDS)	(25.31)	(9.60)
<b>Net cash flows used in operating activities (A)</b>	<b>(569.09)</b>	<b>(446.98)</b>
<b>Cash flow from Investing activities</b>		
Purchase of Investments	(12.10)	(7.25)
Loans to related party	(947.47)	(766.78)
Sale/ (Purchase) of Property, Plant and Equipment, including movement in CWIP and capital advances	(5.23)	(25.83)
Net fixed deposit made	(130.29)	(76.00)
Interest received	512.18	187.91
<b>Net cash flow used in investing activities (B)</b>	<b>(582.91)</b>	<b>(687.95)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of convertible preference shares	446.24	1,018.78
Proceeds from issuance of equity share capital	2.61	37.50
Proceeds from short-term borrowings	615.00	300.00
Principal paid on lease liabilities	(39.68)	(28.62)
Interest paid on lease liabilities	(21.77)	(22.33)
Interest paid	(91.27)	(30.57)
<b>Net cash flow from financing activities (C)</b>	<b>911.13</b>	<b>1,274.76</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(240.87)</b>	<b>139.83</b>
Cash and cash equivalents at the beginning of the year	302.02	162.19
Cash and cash equivalents at the end of the year	<b>61.15</b>	<b>302.02</b>
<b>Cash and cash equivalents comprise (Refer note 14)</b>		
Balances with banks		
In current accounts	61.11	301.98
Cash on hand	0.04	0.04
<b>Total cash and bank balances at end of the year</b>	<b>61.15</b>	<b>302.02</b>

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

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>Opening balance</b>		
Short term borrowings	300.00	-
Interest accrued and due on borrowings	-	-
<b>Total Changes from financing cash flows</b>	<b>300.00</b>	<b>-</b>
<b>Movement</b>		
Cash flows - Short term borrowings	335.00	300.00
Interest expenses	113.04	29.17
Interest paid	(113.04)	(29.17)
<b>Closing Balance</b>		
Short term borrowings	635.00	300.00
Loan from Related Parties	-	-
Interest accrued and due on borrowings	-	-
	<b>635.00</b>	<b>300.00</b>



Entero Healthcare Solutions Private Limited  
Standalone Statement of cash flows for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

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

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

See accompanying notes to the financial statements 1-51

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

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

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

  
Vijayantimala Belsare  
Partner

Membership No: 049902  
Place: Mumbai

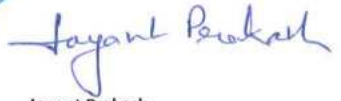
Date: 03 AUG 2023



  
Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 03 AUG 2023

  
Prem Sethi  
Director  
DIN: 07077034

  
CV Ram  
CFO

  
Jayant Prakash  
company secretary  
M.N.:FCS-6742



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### 1. General Information

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

#### 2. Significant accounting policies

Significant accounting policies adopted by the company are as under:

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

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

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

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

These financial statements are approved by the Board of Directors on **03 August 2023**.

###### B. Basis of Measurement

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

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



**Entero Healthcare Solutions Private Limited**

**Notes forming part of the financial statements for the year ended 31 March 2023**

(Amount in Millions, unless otherwise stated)

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

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

**Assets**

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

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

it is held primarily for the purpose of being traded;

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

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

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

**Liabilities**

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

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

it is held primarily for the purpose of being traded;

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

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

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

**D. Use of Estimates**

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### 2.2 Property, Plant and Equipment

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

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

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

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

#### Transition to IND AS:

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

#### Depreciation on plant, property and equipment

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

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

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

#### 2.3 Other Intangible assets

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

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

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

Particulars	Useful life (years)
Computer software	5-10

#### 2.4 Fair value Measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

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

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

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### 2.5 Revenue recognition

##### Revenue from Sale of Goods

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### Other Income

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

#### Marketing Support

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

## 2.6 Taxes

#### a) Current Income Tax:

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

#### b) Deferred Tax:

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

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

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### 2.7 Intangible asset under development

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

#### 2.8 Leases

##### The Company as a lessee

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

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

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

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

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

#### 2.9 Inventories

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### 2.10 Impairment of non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash-Generating Unit" - CGU).

#### 2.11 Provisions and Contingent Liabilities

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

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### 2.12 Cash and cash equivalents

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

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

#### 2.13 Financial Instruments

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

##### (A) Financial assets

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

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

###### (ii) Subsequent measurement

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

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

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

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

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value in other comprehensive income . The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

#### (iii) Impairment of financial assets

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

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

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

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

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

#### (iv) Derecognition of financial assets

A financial asset is derecognized only when

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

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

#### (B) Financial liabilities

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

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

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

##### (ii) Subsequent measurement

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

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### (iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

#### (C) Embedded Derivatives

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

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

#### (D) Offsetting financial instruments

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

## 2.14 Employee Benefits

#### (a) Short-term obligations

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

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

##### (i) Defined contribution plan

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

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

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

#### (ii) Defined Benefit Plans

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

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

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

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

## 2.15 Foreign Currency Transactions

### (a) Functional and presentation currency

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

### (b) Transactions and balances

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

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

#### 2.16 Earnings Per Share

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

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

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

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

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

##### 3.1 Estimates and assumptions

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

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

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

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

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

#### iii) Intangible asset under development

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

#### iv) Impairment of Non Financial Assets

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

#### v) Sales Return

The Group accounts for sales returns accrual by recording sales return provision concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience of sales returns.

At the time of recognising the sales return provision, the Group also recognises purchase return provision ,an asset, (i.e., the right to the returned goods) which is included in Other Current assets for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the financial statements for the year ended 31 March 2023

(Amount in Millions, unless otherwise stated)

#### 4. Recent Accounting Pronouncements

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

##### Ind AS 1 – Presentation of Financial Statements

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

##### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

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

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

The Group does not expect these amendment to have any significant impact in its financial statements.



Entero Healthcare Solutions Private Limited  
 Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
 (Amount in Millions, unless otherwise stated)

5 Property, plant and equipment\*

Particulars	Gross block				Depreciation		Net block	
	As at 1 April 2022	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2023	For the year	As at 31 March 2023
<b>Leased assets</b>								
Right to Use Asset (Refer note 47) - Building	322.52	7.89	-	-	(37.82)	292.59	44.48	126.22
<b>Owned assets</b>								
Plant and machineries	45.85	0.04	-	-	(1.22)	44.67	7.46	14.43
Electrical installations	67.98	0.10	-	-	(0.48)	67.61	6.44	22.06
Furniture and fixtures	66.57	0.12	-	-	(1.58)	65.11	6.25	21.28
Office equipment	14.49	0.07	-	-	(0.34)	14.22	2.73	9.43
Computer and peripherals	23.55	3.23	-	-	(0.09)	26.69	4.95	17.91
Vehicles	5.10	-	-	-	-	5.10	0.61	1.95
Leasehold improvements	125.59	3.94	-	-	(0.06)	129.46	18.91	63.46
<b>Total</b>	<b>671.65</b>	<b>15.39</b>	<b>-</b>	<b>-</b>	<b>(41.59)</b>	<b>645.45</b>	<b>91.83</b>	<b>276.74</b>

Particulars	Gross block				Depreciation		Net block	
	As at 1 April 2021	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2022	For the year	As at 31 March 2022
<b>Leased assets</b>								
Right to Use Asset (Refer note 47)	270.78	51.74	-	-	-	322.52	39.74	96.22
<b>Owned assets</b>								
Plant and machineries	44.35	1.50	-	-	-	45.85	2.84	7.20
Electrical installations	66.00	1.98	-	-	-	67.98	6.37	15.77
Furniture and fixtures	62.32	4.25	-	-	-	66.57	6.15	15.53
Office equipment	13.86	0.63	-	-	-	14.49	2.70	6.91
Computer and peripherals	16.44	7.96	-	-	0.87	23.53	6.43	13.05
Vehicles	3.86	1.24	-	-	-	5.10	0.53	1.34
Leasehold improvements	120.20	5.39	-	-	-	125.59	17.40	44.57
<b>Total</b>	<b>597.81</b>	<b>74.69</b>	<b>-</b>	<b>-</b>	<b>0.87</b>	<b>671.63</b>	<b>82.16</b>	<b>200.59</b>

\*Property, plant and equipment pledged as security by the Company, refer note 22



Entero Healthcare Solutions Private Limited  
 Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
 (Amount in Millions, unless otherwise stated)

6 Other intangible assets

Particulars	Gross block					Amortization			Net block		
	As at 1 April 2022	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the year	Deductions/ Adjustments	As at 31 March 2023	As at 31 March 2023
Computer Software	50.06	0.81	-	-	-	50.87	6.91	6.18	-	13.08	37.79
<b>Total</b>	<b>50.06</b>	<b>0.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.87</b>	<b>6.91</b>	<b>6.18</b>	<b>-</b>	<b>13.08</b>	<b>37.79</b>

Particulars	Gross block					Amortization			Net block		
	As at 1 April 2021	Additions/ Adjustments	Acquired through Business Combination	Revaluation of Assets	Deductions/ Adjustments	As at 31 March 2022	As at 1 April 2021	For the year	Deductions/ Adjustments	As at 31 March 2022	As at 31 March 2022
Computer Software	24.46	25.60	-	-	-	50.06	1.93	4.97	-	6.91	43.15
<b>Total</b>	<b>24.46</b>	<b>25.60</b>	<b>-</b>	<b>-</b>	<b>50.06</b>	<b>1.93</b>	<b>4.97</b>	<b>4.97</b>	<b>-</b>	<b>6.91</b>	<b>43.15</b>



7 Intangible assets under development

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening Balance	0.54	22.40
Add : Additions during the year	-	3.14
Less: Capitalized during the year	0.54	25.00
<b>Closing Balance</b>	<b>-</b>	<b>0.54</b>

Intangible assets under development ageing schedule  
As at 31 March 2023

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

As at 31 March 2022

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

8 Investments in Subsidiaries

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Value	No of shares	Value
<b>Unquoted equity shares measured at cost (fully paid up)</b>				
G.S.Pharmaceutical Distributors Private Limited	36,00,000	36.00	36,00,000	36.00
Novacare Healthcare Solutions Private Limited	1,10,00,000	110.00	1,10,00,000	110.00
Getwell Medicare Solution Private Limited	68,00,000	68.00	68,00,000	68.00
Galaxystar Pharma Distributors Private Limited	10,00,000	57.90	10,000	48.00
Chhabra Healthcare Solutions Private Limited	10,000	35.00	10,000	35.00
RSM Pharma Private Limited	15,00,000	47.70	15,00,000	47.70
Sundarlal Pharma Distributors Private Limited	10,00,000	32.90	10,000	23.00
Avenues Pharma Distributors Private Limited	10,000	0.10	10,000	0.10
Chirag Medicare Solutions Private Limited	1,00,000	1.00	1,00,000	1.00
Jaggi Enterprises Private Limited	10,000	0.10	10,000	0.10
Chethana Healthcare Solutions Private Limited	1,00,000	1.00	1,00,000	1.00
Vasavi Medicare Solutions Private Limited	10,000	0.10	10,000	0.10
SVMED Solutions Private Limited	10,000	0.10	10,000	0.10
Chethana Pharma Private Limited	3,00,000	3.00	3,00,000	3.00
Millennium Medisolutions Private Limited	10,000	0.10	10,000	0.10
Rada Medisolutions Private Limited	10,000	0.10	10,000	0.10
Sesha Balajee Medisolutions Private Limited	10,000	0.10	10,000	0.10
Barros Enterprises Private Limited	10,000	0.10	10,000	0.10
Chethana pharma Distributors Private Limited	10,000	0.10	10,000	0.10
Sree Venkateshwara Medisolutions Private Limited*	10,000	0.10	10,000	0.10
CPD Pharma Private Limited	10,000	10.10	10,000	10.10
Calcutta Medisolutions Private Limited*	10,000	0.10	10,000	0.10
Curever Pharma Private Limited	10,000	0.10	10,000	0.10
Rimedio Pharma Private Limited	10,000	0.10	10,000	0.10
Quromed Life Sciences Private Limited	10,000	0.10	10,000	0.10
Atreja Healthcare Solutions Pvt Ltd	10,000	0.10	10,000	0.10
Western Health Care Solutions Private Limited	15,000	0.15	15,000	0.15
City Pharma Distributors Private Limited	10,000	0.10	10,000	0.10
Zenex Software Solutions Private Limited	10,000	0.10	10,000	0.10
Swami Medisolutions Private Limited	10,000	0.10	10,000	0.10
New RRPD Private Limited	10,000	0.10	10,000	0.10
New Siva Agencies Private Limited	10,000	0.10	10,000	0.10
Sri Parshva Pharma Distributors Private Limited	10,000	0.10	10,000	0.10
Sri Rama Pharmaceutical Distributors Private Limited	5,000	0.05	5,000	0.05
Saurashtra Medisolutions Private Limited*	10,000	0.10	-	-
SVS Lifesciences Private Limited*	10,000	0.10	-	-
S.S. Pharma Traders Private Limited*	10,000	0.10	-	-
Guarantee Commission	-	1.20	-	9.20
<b>Total (equity instruments)</b>	<b>2,56,80,000</b>	<b>406.40</b>	<b>2,36,70,000</b>	<b>394.30</b>

\*Shares of these subsidiaries have been pledged against term loan

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Value	No of shares	Value
Aggregate amount of unquoted investments before	2,56,80,000	405.20	2,36,70,000	385.10
Aggregate amount of impairment in the value of	-	-	-	-



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

9 Other financial assets

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Financial Instruments at amortised cost</b>		
Security Deposits	22.48	28.17
In Deposit accounts with maturity for more than 12 months	14.00	-
<b>Total</b>	<b>36.48</b>	<b>28.17</b>

10 Deferred tax assets/(liabilities) (net)

<b>Deferred tax asset on account of:</b>		
Expenses provided but allowable in Income Tax on payment basis	2.49	2.28
On Ind AS Adjustment	10.55	7.59
Gratuity & Leave Encashment	6.18	4.75
Expected Credit Loss Provision	3.83	1.84
Unabsorbed depreciation	33.72	106.08
Unabsorbed loss	170.89	49.96
Timing difference between tax depreciation and depreciation charged in the books	1.10	-
<b>Deferred tax liability on account of:</b>		
Timing difference between tax depreciation and depreciation charged in the books	-	(1.15)
<b>Net deferred tax assets/(Liabilities)</b>	<b>228.76</b>	<b>171.35</b>
<b>Total</b>	<b>-</b>	<b>-</b>

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

Particulars	As at	(Charged)/	(Charged)/	As at
	31 March 2022	Credited to P&L	Credited to OCI	31 March 2023
Timing difference between tax depreciation and depreciation charged in the books	(1.15)	2.25	-	1.10
Expenses provided but allowable in Income Tax on payment basis	2.28	0.21	-	2.49
On Ind AS 116 Adjustment	7.59	2.96	-	10.55
Gratuity & Leave Encashment	4.75	1.43	-	6.18
Expected Credit Loss Provision	1.84	2.00	-	3.83
Unabsorbed depreciation	-	33.72	-	33.72
Unabsorbed loss	106.08	64.81	-	170.89
Fair Value of deposits	49.96	(49.96)	-	-
<b>Net Net deferred tax assets/(liability)</b>	<b>171.35</b>	<b>57.41</b>	<b>-</b>	<b>228.76</b>

Particulars	As at	(Charged)/	(Charged)/	As at
	31 March 2021	Credited to P & L	Credited to OCI	31 March 2022
Timing difference between tax depreciation and depreciation charged in the books	(3.20)	2.05	-	(1.15)
Expenses provided but allowable in Income Tax on payment basis	2.72	(0.44)	-	2.28
On Ind AS 116 Adjustment	6.99	0.60	-	7.59
Gratuity & Leave Encashment	0.97	3.78	-	4.75
Expected Credit Loss Provision	-	1.84	-	1.84
Unabsorbed depreciation	0.38	105.70	-	106.08
Unabsorbed loss	-	49.96	-	49.96
<b>Net Net deferred tax assets/(liability)</b>	<b>7.85</b>	<b>163.49</b>	<b>-</b>	<b>171.35</b>

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

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>11 Non current Tax assets (Net)</b>		
Advance income tax (Net)	56.26	30.95
<b>Total</b>	<b>56.26</b>	<b>30.95</b>

12 Inventories\*

At lower of cost and net realizable value

Stock in trade	288.41	362.29
<b>Total</b>	<b>288.41</b>	<b>362.29</b>

[(include one time inventory write down provision of NIL ( previous year INR 116.59 million)]

\*Inventory pledged as security by the Company, refer note 22



13 Trade receivable

Particulars	As at	As at
	31 March 2023	31 March 2022
Unsecured		
-Considered good	744.80	522.30
-Having significant increase in Credit Risk	14.75	7.07
	<u>759.55</u>	<u>529.37</u>
Less:- Expected loss allowances	(14.75)	(7.07)
<b>Total</b>	<b>744.80</b>	<b>522.30</b>
<b>Further classified as:</b>		
Receivable from related parties (Refer note 46)	235.76	276.89
Receivable from others	509.04	245.40
	<u>744.80</u>	<u>522.30</u>

Trade receivables ageing schedule

As at 31 March 2023

Particulars/ Period	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivable - Considered Good	638.31	66.61	38.87	1.01	-
(ii) Undisputed Trade Receivable -Which have significant increase in credit risk	-	-	0.94	9.26	4.55
(iii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-
(iv) Undisputed Trade Receivable - Considered Doubtful	-	-	-	-	-
(v) Disputed Trade Receivable - Considered Good	-	-	-	-	-
(vi) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	-
<b>Total</b>	<b>638.31</b>	<b>66.61</b>	<b>39.81</b>	<b>10.27</b>	<b>4.55</b>

There are no unbilled receivables

As at 31 March 2022

Particulars/ Period	Less Than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivable - Considered Good	310.32	125.74	86.24	-	-
(ii) Undisputed Trade Receivable -Which have significant increase in credit risk	-	-	1.24	5.83	-
(iii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-
(iv) Undisputed Trade Receivable - Considered Doubtful	-	-	-	-	-
(v) Disputed Trade Receivable - Considered Good	-	-	-	-	-
(vi) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	-
<b>Total</b>	<b>310.32</b>	<b>125.74</b>	<b>87.48</b>	<b>5.83</b>	<b>-</b>

There are no unbilled receivables

Following are the Companies in which the Company is having a common directors:

Particulars	As at 31 March 2023	As at 31 March 2022
Atreja Healthcare Solutions Private Limited	1.52	0.60
Avenues Pharma Distributors Private Limited	5.28	4.40
Barros Enterprises Private Limited	0.35	0.29
Chethana Healthcare Solutions Private Limited	0.11	-
Chethana Pharma Distributors Private Limited	0.09	-
Chethana Pharma Private Limited	0.36	-
Chhabra Healthcare Solutions Private Limited	0.95	4.21
Chirag Medicare Solutions Private Limited	0.61	-
Curever Pharma Private Limited	12.44	6.41
G.S.Pharmaceutical Distributors Private Limited	4.42	11.60
Galaxystar Pharma Distributors Private Limited	4.94	0.78
Getwell Medicare Solution Private Limited	8.88	41.47
Jaggi Enterprises Private Limited	8.17	10.72
Millennium Medisolutions Private Limited	2.89	8.74
Novacare Healthcare Solutions Private Limited	165.44	152.70
R S M Pharma Private Limited	5.19	2.81
Rada Medisolutions Private Limited	1.19	10.02
Sesha Balajee Medisolutions Private Limited	0.35	1.97
Sundarjal Pharma Distributors Private Limited	0.30	0.45
Svmed Solutions Private Limited	0.69	12.44
Vasavi Medicare Solutions Private Limited	(0.15)	1.26



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

14 Cash and cash equivalents

Particulars	As at	As at
	31 March 2023	31 March 2022
Balances with banks:		
In current accounts	61.11	301.98
Cash on hand	0.04	0.04
<b>Total</b>	<b>61.15</b>	<b>302.02</b>
<b>15 Bank balances other than Cash and cash equivalent</b>		
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	710.70	580.41
<b>Total</b>	<b>710.70</b>	<b>580.41</b>
<b>16 Current financial assets - Loans</b>		
<u>Unsecured, considered good</u>		
Loans to related party (Refer Note 46)	4,143.21	3,195.73
Loans to others	0.72	0.72
<b>Total</b>	<b>4,143.93</b>	<b>3,196.45</b>
<b>17 Other financial assets</b>		
Interest accrued on Interest on Inter Corporate Deposit (Refer note 46)	452.66	295.65
Interest accrued on Fixed Deposit	13.91	15.22
<b>Total</b>	<b>466.57</b>	<b>310.87</b>
<b>18 Other current assets</b>		
Advance to suppliers	15.19	44.21
Balance with government authorities	197.51	174.88
Prepaid Expenses	53.13	64.75
Other Receivables	33.85	0.01
Staff advance	1.53	1.24
Provision for purchase return	13.25	13.25
<b>Total</b>	<b>314.46</b>	<b>298.34</b>



19 Equity Share capital

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Authorised Share Capital</b>		
45,70,000 ( 31 March 2022: 40,00,000) Equity Shares of INR 10 each	45.70	40.00
<b>Total</b>	<b>45.70</b>	<b>40.00</b>
<b>b. Issued, Subscribed and Paid-up:</b>		
41,11,527 ( 31 March 2022: 38,50,200) Equity Shares of INR 10 each	41.12	38.50
<b>Total</b>	<b>41.12</b>	<b>38.50</b>

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	38,50,200	38.50	1,00,200	1.00
Add: Issued during the year	2,61,327	2.61	37,50,000	37.50
Outstanding at the end of the year	<b>41,11,527</b>	<b>41.12</b>	<b>38,50,200</b>	<b>38.50</b>

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

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	%	No of shares	%
Mr. Prabhat Agrawal	27,33,756	66.49%	25,60,000	66.49%
Mr. Prem Sethi	13,77,557	33.50%	12,90,000	33.50%

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

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

Name of the Promoter	As at 31 March 2023			As at 31 March 2022		
	No. of Share	% of Total Shares	% Change During the Period	No. of Share	% of Total Shares	% Change During the Period
Mr. Prabhat Agrawal	27,33,756	66.49%	6.79%	25,60,000	0.66	4166.67%
Mr. Prem Sethi	13,77,557	33.50%	6.79%	12,90,000	0.34	3125.00%

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

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

**i. Rights Issue allotment**

During the year ended 31 March 2023, the Company has issued and allotted 2,61,327 equity shares of face value Rs 10/- each to the eligible equity shareholders at an issue price of Rs. 10/- per Equity Share aggregating to Rs. 2.61 millions.

**j. Private Placement allotment**

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

20 Instruments entirely equity in nature

**Preference share capital**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>a. Authorised Share Capital</b>		
<b>0.0001% Compulsory Convertible Preference shares (CCPS)</b>		
Series A1 CCPS (March 23 : 56,58,47,000 ; March 22 : 49,54,99,900) of INR 10 each	5,658.47	4,955.00
Series A2 CCPS (March 23 : 19,35,64,100 ; March 22 : 16,94,99,900) of INR 10 each	1,935.64	1,695.00
Series A3 CCPS (March 23 : 39,96,900 ; March 22 : 35,00,000 ) of INR 10 each	39.97	35.00
Series A4 CCPS (March 23 : 3,63,72,000 ; March 22 : 3,18,50,200) of INR 10 each	363.72	318.50
<b>Total</b>	<b>7,997.80</b>	<b>7,003.50</b>
<b>b. Issued, Subscribed and Paid-up:</b>		
Series A1 CCPS (March 23 : 47,19,99,900 ; March 22 : 44,19,99,900) of INR 10 each	4,720.00	4,420.00
Series A2 CCPS (March 23 : 16,11,70,627 ; March 22 : 15,09,26,729 ) of INR 10 each	1,611.71	1,509.27
Series A3 CCPS (March 23 : 30,96,833 ; March 22 : 29,00,000) of INR 10 each	30.97	29.00
Series A4 CCPS (March 23 : 2,73,46,590 ; March 22 : 2,31,63,347) of INR 10 each	273.47	231.63
<b>Total</b>	<b>6,636.14</b>	<b>6,189.90</b>



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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	61,89,89,976	6,189.90	51,71,12,300	5,171.12
Add: Issued during the year	4,46,23,974	446.24	10,18,77,676	1,018.78

d. Rights, preferences and restrictions attached to shares  
0.0001% Compulsory Convertible Preference shares (CCPS)

Terms of Conversion :

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

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

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

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

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	%	No of shares	%
Series A1 CCPS are issued to Orbimed Asia III Mauritius Limited	47,19,99,900	100.00%	44,19,99,900	100.00%
Series A2 CCPS are issued to Prasad Uno Family Trust	16,11,70,627	100.00%	15,09,26,729	100.00%
Series A3 CCPS are issued to Mr. Prabhat Agrawal	18,58,100	60.00%	17,40,000	60.00%
Series A3 CCPS are issued to Mr. Prem Sethi	12,38,733	40.00%	11,60,000	40.00%
Series A4 CCPS are issued to Novacare Drug Specialities Private Limited	61,39,837	22.45%	57,49,593	24.82%
Series A4 CCPS are issued to K E Prakash	53,90,244	19.71%	53,90,244	23.27%
Series A4 CCPS are issued to Mr. Petros Diamantides	21,89,571	8.01%	20,51,287	8.86%
Series A4 CCPS are issued to Prashanth Ravindrakumar	19,18,699	7.02%	17,96,748	7.76%
Series A4 CCPS are issued to Manoj K Sanghani	17,58,808	6.43%	16,47,019	7.11%
Series A4 CCPS are issued to Vikram Aditya Ambre	17,58,808	6.43%	16,47,019	7.11%
Series A4 CCPS are issued to Hemant Barros	11,97,832	4.38%	11,97,832	5.17%
Series A4 CCPS are issued to Millennium Medicare Private Limited	12,79,133	4.68%	11,97,832	5.17%

f. Shareholding of Promoters at the end of the year

Name of the Promoter	As at 31 March 2023			As at 31 March 2022		
	No. of Share	% of Total Shares	% Change During the Period	No. of Share	% of Total Shares	% Change During the Period
<b>Series A3 CCPS</b>						
Mr. Prabhat Agrawal	18,58,100	60.00%	0.07	17,40,000	60.00%	-
Mr. Prem Sethi	12,38,733	40.00%	0.07	11,60,000	40.00%	-
<b>Series A4 CCPS</b>						
Mr. Prabhat Agrawal	4,00,000	1.46%	100.00%	-	-	-
Mr. Prem Sethi	3,00,000	1.10%	100.00%	-	-	-

h. Private Placement allotment

During the year ended 31 March 2023, the Company has not done any private placement

h. Right Issue

During the year ended 31 March 2023, the Company has issued and allotted 4,46,23,974 preference shares ( Series A1 CCPS: 3,00,00,000, Series A2 CCPS: 1,02,43,898, Series A3 CCPS: 1,96,833 Series A4 CCPS: 41,83,243) of face value Rs 10/- each to the eligible preference shareholders at an issue price of Rs 10 per preference share aggregating to Rs. 1017.28 million.

21 Other equity

Surplus / Deficit in the Profit and Loss Account

Particulars

	As at 31 March 2023	As at 31 March 2022
Opening balance	(716.35)	(307.76)
Add: Net loss for the current year	(124.55)	(408.47)
Add: Re-measurement loss on post employment benefit obligation (net of tax)	0.96	(0.12)
Closing balance	(839.94)	(716.35)

Nature and purposes of Reserves

Retained Earnings

This reserve represents undistributed losses of the Company as on the balance sheet date.



22 Borrowings

Particulars	As at 31 March 2023		As at 31 March 2022	
	Long term	Short term	Long term	Short term
Term Loan				
From Financial Institution *	280.00	635.00	-	300.00
<b>Total</b>	<b>280.00</b>	<b>635.00</b>	<b>-</b>	<b>300.00</b>

\*(Rate of Interest : 13.50%, Loan - 350 Millions dt. 17th March 2023, Nature of security:- First charge on all current assets and movable fixed assets and Cash collateral of 10.00% in the form of a lien marked fixed deposit placed in a bank)

(Rate of Interest : 12.00 - 12.25%, Loan - 450 Millions dt. 7th June 2022 , Nature of security:- First charge on all current assets and movable fixed assets and Cash collateral of 20.00% in the form of a lien marked fixed deposit placed in a bank)

(Rate of Interest : 12.50 - 13.50%, Loan 25 Millions - Nature of security:- First charge on all current assets and movable fixed assets and Cash collateral of 5.0% in the form of a lien marked fixed deposit placed in a bank)

Pledges of shares of subsidiaries as security against term loan of below mentioned subsidiaries:

Nature of Loan	Name of Lender	Amount of loan	Name of subsidiaries/ associates /Joint venture	Relation	Details of Security Pledge
Term Loan	Hero Fincorp Ltd	31,50,00,000	1. Saurashtra Medisolutions Private Limited 2. SVS Lifesciences Private Limited 3. SS Pharma Traders Private Limited	Subsidiary	Shares
Term Loan	Patni Financial Advisors Private Limited	35,00,00,000	1. Calcutta Medisolutions Private Limited 2. Sree Venkateshwara Medisolutions Pvt Ltd	Subsidiary	Shares

23 Lease Liability

Particulars	As at 31 March 2023		As at 31 March 2022	
	Long term	Short term	Long term	Short term
At amortised cost				
Lease Liability	161.87	38.85	221.72	33.24
<b>Total</b>	<b>161.87</b>	<b>38.85</b>	<b>221.72</b>	<b>33.24</b>

24 Provisions

Particulars	As at 31 March 2023		As at 31 March 2022	
	Long term	Short term	Long term	Short term
a) Provision for employee benefits (Refer note 38)				
Provision for gratuity (unfunded)	10.43	1.13	7.46	0.02
Provision for leave encashment (unfunded)	-	12.23	-	10.78
b) Other Provision				
Provision for Sales return	-	19.63	-	19.63
<b>Total Provisions</b>	<b>10.43</b>	<b>32.98</b>	<b>7.46</b>	<b>30.43</b>

25 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
	Total outstanding dues of micro enterprises and small enterprises	1.18
Total outstanding dues of creditors other than micro enterprises and small enterprises*	556.29	343.77
<b>Total trade payables</b>	<b>557.47</b>	<b>347.50</b>



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

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	1.18	3.73
<b>Total</b>	<b>1.18</b>	<b>3.73</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

\* Refer note 46 for trade payables to related parties

Trade Payables ageing  
schedule

As at 31 March 2023

Particulars	Unbilled dues	Outstanding for Following periods from the due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Unbilled	-	-	-	-	-	-
MSME	-	1.18	-	-	-	1.18
Disputed Dues - MSME	-	-	-	-	-	-
Other	-	556.29	-	-	-	556.29
Disputed Dues - Others	-	-	-	-	-	-

As at 31 March 2022

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

26 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Employee liabilities	31.19	31.74
Other Financial Liabilities	39.59	39.32
<b>Total other financial liabilities</b>	<b>70.78</b>	<b>71.06</b>

27 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory due payable	9.76	8.14
Deferred Income	1.20	9.20
Advance from customers	-	0.03
<b>Total other current liabilities</b>	<b>10.96</b>	<b>17.37</b>



**28 Revenue from operations**

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Sale of Traded goods	1,728.44	1,328.10
Other operating revenue	48.46	44.76
<b>Total revenue from operations</b>	<b>1,776.90</b>	<b>1,372.86</b>
<b>Analysis of revenues by segments:</b>		
Trading of pharmaceutical and surgical products.	1,776.90	1,372.86
<b>Revenue based on Geography</b>		
Domestic	1,776.90	1,372.86
Export	-	-
<b>Total</b>	<b>1,776.90</b>	<b>1,372.86</b>

**Revenue based on timing of recognition**

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Revenue recognition at a point in time	1,776.90	1,372.86
Revenue recognition at point over time	-	-
<b>Total</b>	<b>1,776.90</b>	<b>1,372.86</b>

**29 Other income**

<b>Interest income</b>		
- on fixed deposits designated as amortized cost	33.40	28.34
- on intercorporate deposit (Refer note 46)	478.90	229.92
- other interest income	1.55	1.29
- Interest on unwinding of security deposits	1.67	1.37
Net gain or loss on foreign currency transaction and translation	0.11	1.58
Miscellaneous income	10.03	6.22
<b>Total other income</b>	<b>525.66</b>	<b>268.72</b>

**30 Purchase of Stock-in-trade**

Purchases of Stock-in-trade	1,471.44	1,172.79
<b>Total</b>	<b>1,471.44</b>	<b>1,172.79</b>

**31 Changes in inventories of stock-in-trade**

<b>Inventories at the beginning of the year</b>		
-Stock in trade	362.29	473.86
	<b>362.29</b>	<b>473.86</b>
<b>Less: Inventories at the end of the year</b>		
-Stock in trade	(288.41)	(362.29)
	<b>(288.41)</b>	<b>(362.29)</b>
<b>Net decrease/ (increase)</b>	<b>73.88</b>	<b>111.57</b>



32 Employee benefits expense

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Salaries, wages, bonus and other allowances	402.15	348.09
Contribution to Provident Fund and other funds	10.35	9.56
Leave Obligation	3.69	5.29
Gratuity Expenses	5.04	3.64
Staff welfare expenses	14.71	12.62
<b>Total employee benefits expense</b>	<b>435.94</b>	<b>379.20</b>

33 Finance costs

On Bank Loan	83.79	29.17
Interest on delay in payment of taxes	0.00	0.05
Processing Fees	7.05	1.00
Bank Charges	0.43	0.31
Other Interest Expenses	0.00	0.04
Interest on Lease Liabilities	21.77	22.33
<b>Total finance costs</b>	<b>113.04</b>	<b>52.90</b>

34 Depreciation and amortization expense

Depreciation on Property, Plant and Equipment (Refer note 5)	47.35	42.42
Amortization on Intangibles Assets (Refer note 6)	6.18	4.97
Depreciation on ROU (Refer note 5)	44.48	39.74
<b>Total depreciation and amortization expense</b>	<b>98.01</b>	<b>87.14</b>

35 Other expenses

Rent	1.27	2.57
Rates and taxes	0.48	0.84
Legal and professional charges	20.31	72.74
Travelling expenses	32.97	27.00
Power and fuel	6.63	5.70
Repairs and maintenance	3.93	3.91
Distribution Cost	53.67	42.95
Printing and stationery	1.72	3.19
Communication expenses	3.36	1.62
Business promotion expenses	50.06	44.24
IT Expenses	9.79	8.96
Subscription Expenses	4.12	2.34
Net Impairment losses on trade receivables/Financial assets	7.68	5.60
Auditor's remuneration (Refer note below)	0.89	0.82
Housekeeping Expenses	3.05	1.51
Sign on Amount	18.00	16.33
Office Aircon Charges	0.96	0.61
Insurance	4.57	5.31
Miscellaneous expenses	11.34	0.22
<b>Total other expenses</b>	<b>234.80</b>	<b>246.46</b>

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

As auditor:

Statutory audit	0.77	0.71
In other capacity:		
Tax audit	0.12	0.11
<b>Total</b>	<b>0.89</b>	<b>0.82</b>



36 Income Tax

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>Current tax</b>		
Current tax on profits for the period	-	-
<b>Total Current Tax</b>	-	-
<b>Deferred tax</b>		
Deferred tax expense/ (income)	-	-
<b>Total tax expense</b>	-	-
<b>Reconciliation of effective tax rate:</b>		
Profit/(Loss) before income tax expense	(124.55)	(408.47)
<b>Enacted income tax rate in India applicable to the Company 26.00% (31 March 2022 : 26.00%)</b>	(32.38)	(106.20)
<b>Tax effect of:</b>		
Permanent Disallowances		
Deferred tax assets not created	32.38	106.20
<b>Total tax expense/(income)</b>	-	-
<b>Rate</b>	0.00%	0.00%

37 Earnings per share

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Loss attributable to the equity holders of the Company (A)	(124.55)	(408.47)
Weighted Average number of shares issued for Basic EPS (B)	65,07,30,172	56,91,82,010
Adjustment for calculation of Diluted EPS( number of share) (C)	-	-
Weighted Average number of shares issued for Diluted EPS (D= B+C)	65,07,30,172	56,91,82,010
<b>Basic EPS in INR</b>	<b>(0.19)</b>	<b>(0.72)</b>
<b>Diluted EPS in INR</b>	<b>(0.19)</b>	<b>(0.72)</b>



**38 Employee benefits**

**I. Defined contribution plans**

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

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

The expense recognised during the period towards defined contribution plan -

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Contribution to Provident Fund	9.78	9.08
Employers Contribution to Employee state insurance	0.54	0.45
Employers Contribution to Labour welfare fund	0.03	0.03

**II. Defined benefit plans**

**Gratuity**

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

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

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

Sr No	Defined benefit plans	For the Year ended 31 March 2023 Gratuity (Unfunded)	For the Year ended 31 March 2022 Gratuity (Unfunded)
<b>I</b>	<b>Expenses recognised in statement of profit and loss during the year:</b>		
	Current service cost	4.39	3.30
	Net interest cost / (Income) on the net defined benefit liability / (asset)	0.65	0.34
	<b>Total expenses</b>	<b>5.04</b>	<b>3.64</b>
<b>II</b>	<b>Included in other comprehensive income</b>		
	Amount recognized in OCI, Beginning of year	0.11	(0.02)
	Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations	(0.37)	(0.20)
	Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations	(0.59)	0.32
	Actuarial (gains)/ losses due to experience on defined benefit obligations	(0.96)	0.12
	<b>Total Remeasurement recognized in OCI</b>	<b>(0.85)</b>	<b>0.11</b>
<b>III</b>	<b>Net liability recognised as at balance sheet date:</b>		
	Present value of defined benefit obligation	(11.56)	(7.48)
	<b>Deficit</b>	<b>(11.56)</b>	<b>(7.48)</b>



IV Movements in present value of defined benefit obligation

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Present value of defined benefit obligation at the beginning of the year	7.48	3.72
Current service cost	4.39	3.30
Interest cost	0.65	0.34
Actuarial loss	(0.96)	0.12
<b>Present value of defined benefit obligation at the end of the year</b>	<b>11.56</b>	<b>7.48</b>

V Maturity profile of defined benefit obligation

a Expected cash flows over the next years (valued on undiscounted basis):

1st Following Year	1.17	0.02
2nd Following Year	1.18	0.78
3rd Following Year	1.34	0.89
4th Following Year	1.57	1.06
5th Following Year	1.92	1.22
Sum of Years 6 To 10	6.30	4.49
Sum of Years 11 and above	4.79	3.46

1 Increase / (decrease) on present value of defined benefit obligation at the end of the year

(i) +1% increase in discount rate	(0.59)	(0.44)
(ii) -1% decrease in discount rate	0.65	0.48
(iii) +1% increase in rate of compensation levels	0.56	0.37
(iv) -1% decrease in rate of compensation levels	(0.46)	(0.34)

2 Sensitivity analysis method

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

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

VII Actuarial assumptions:

	As at 31 March 2023	As at 31 March 2022
1 Discount rate	7.28%	6.70%
2 Expected Rate of increase in compensation levels	8.00%	8.00%
3 Withdrawal Rate	20.00%	20.00%
4 Mortality Rate During Employment	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
5 Retirement Age	58 years	58 years

III Leave Encashment

The amount recognized as an expense in respect of compensated absences is INR 3.69 million (March 22: INR 5.29 million)



**39 Contingent liabilities & commitments**

Particulars	As at 31 March 2023	As at 31 March 2022
Contingencies Liabilities not provided for in respect of: Bank Guarantees	2,765.04	2,319.13

**40 Contingent commitments**

There is no contingent commitments.

**41 Segment reporting**

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

**42 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings. The Company is not subject to any externally imposed capital requirement. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Borrowings</b>		
Long term and Short term borrowings	280.00	-
Short term borrowings	635.00	300.00
Less: cash and cash equivalents	(61.15)	(302.02)
<b>Adjusted net debt</b>	<b>853.85</b>	<b>(2.02)</b>
Total Equity	5,837.32	5,512.05
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.15</b>	<b>0.00</b>

**43 Events after reporting date**

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



44 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 2023</b>								
<b>Non-current financial assets</b>								
Investments in subsidiaries	-	-	406.40	406.40	-	-	406.40	406.40
Other financial assets	-	-	36.48	36.48	-	-	36.48	36.48
	-	-	442.88	442.88	-	-	442.88	442.88
<b>Current financial assets</b>								
Trade receivables	-	-	744.80	744.80	-	-	744.80	744.80
Cash and cash equivalents	-	-	61.15	61.15	-	-	61.15	61.15
Bank balances other than cash and cash equivalent	-	-	710.70	710.70	-	-	710.70	710.70
Loans	-	-	4,143.93	4,143.93	-	-	4,143.93	4,143.93
Other financial assets	-	-	466.57	466.57	-	-	466.57	466.57
<b>Total</b>	-	-	6,127.15	6,127.15	-	-	6,127.15	6,127.15
<b>Non-current financial liabilities</b>								
Lease Liabilities	-	-	161.87	161.87	-	-	161.87	161.87
<b>Current financial liabilities</b>								
Borrowings	-	-	635.00	635.00	-	-	635.00	635.00
Lease Liabilities	-	-	38.85	38.85	-	-	38.85	38.85
Trade payables	-	-	557.47	557.47	-	-	557.47	557.47
Other financial liabilities	-	-	70.78	70.78	-	-	70.78	70.78
<b>Total</b>	-	-	1,463.97	1,463.97	-	-	1,463.97	1,463.97

Particulars	Carrying Amount			Fair Value				
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities as at 31 March 2022</b>								
<b>Non-current financial assets</b>								
Investments in subsidiaries	-	-	394.30	394.30	-	-	394.30	394.30
Other financial assets	-	-	28.17	28.17	-	-	28.17	28.17
	-	-	422.47	422.47	-	-	422.47	422.47
<b>Current financial assets</b>								
Trade receivables	-	-	522.30	522.30	-	-	522.30	522.30
Cash and cash equivalents	-	-	302.02	302.02	-	-	302.02	302.02
Bank balances other than cash and cash equivalent	-	-	580.41	580.41	-	-	580.41	580.41
Loans	-	-	3,196.45	3,196.45	-	-	3,196.45	3,196.45
Other financial assets	-	-	310.87	310.87	-	-	310.87	310.87
<b>Total</b>	-	-	4,912.05	4,912.05	-	-	4,912.05	4,912.05
<b>Non-current financial liabilities</b>								
Lease Liabilities	-	-	221.72	221.72	-	-	221.72	221.72
<b>Current financial liabilities</b>								
Borrowings	-	-	300.00	300.00	-	-	300.00	300.00
Lease Liabilities	-	-	33.24	33.24	-	-	33.24	33.24
Trade payables	-	-	347.50	347.50	-	-	347.50	347.50
Other financial liabilities	-	-	71.06	71.06	-	-	71.06	71.06
<b>Total</b>	-	-	973.52	973.52	-	-	973.52	973.52

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



**C. Fair Value Hierarchy**

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

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

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

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



#### 45 Financial Risk Management

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

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

- Credit risk
- Liquidity risk and
- Market risk

##### (A) Credit Risk

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

##### i) Trade and Other Receivables

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

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Unsecured		
-Considered good	744.80	522.30
-Having significant increase in Credit Risk	14.75	7.07
<b>Gross Trade Receivables</b>	<b>759.55</b>	<b>529.37</b>
Less: Impairment Loss	(14.75)	(7.07)
<b>Net Trade Receivables</b>	<b>744.80</b>	<b>522.30</b>

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

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

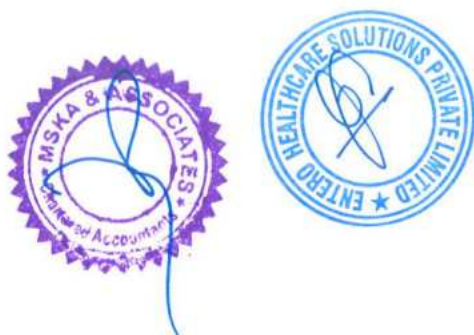
Loans and advances given comprises of inter company loans hence the risk of default from these companies are remote. The Company monitors each loans and advances given and makes any specific provision wherever required.

##### iii. Cash and bank balances

The company held cash and cash equivalent and other bank balance of INR 61.15 million as at 31 march 2023 (31 March 2022: INR 302.02 million). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

##### iv. Others

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



**(B) Liquidity risk**

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

**(i) Maturities of financial liabilities**

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

Contractual maturities of financial liabilities 31 March 2023				
	1 year or less	1-5 years	More than 5 years	Total
Lease Liabilities	56.06	184.62	14.05	254.73
Trade Payables	557.47	-	-	557.47
Borrowings	635.00	-	-	635.00
Other financial liabilities	70.78	-	-	70.78
<b>Total</b>	<b>1,319.31</b>	<b>184.62</b>	<b>14.05</b>	<b>1,517.99</b>

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

**(C) Market Risk**

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

**(i) Foreign currency risk**

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

**(ii) Interest rate risk**

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

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Variable rate borrowings	565.00	300.00
Fixed rate borrowings	350.00	-

**Sensitivity:**

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Interest rates – decrease by 100 basis points	4.18	2.22
Interest rates – decrease by 100 basis points	(4.18)	(2.22)

**(iii) Price Risk**

The Company's exposure to mutual fund is exposed to price risk and classified in the balance sheet at fair value through profit or loss. 100 bps increase in Net Assets Value (NAV) would increase profit before tax by approximately Rs. Nil at 31st March 2023 (Rs. Nil at 31 March 2022). A similar percentage decrease would have resulted equivalent opposite impact.



46 Related Party Disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Subsidiary Companies	Novacare Healthcare Solutions Private Limited
	G.S.Pharmaceutical Distributors Private Limited
	R S M Pharma Private Limited
	Getwell Medicare Solutions Private Limited
	Sundarjal Pharma Distributors Private Limited
	Chhabra Healthcare Solutions Private Limited
	Galaxystar Pharma Distributors Private Limited
	Avenues Pharma Distributors Private Limited
	Chirag Medicare Solutions Private Limited
	Jaggi Enterprises Private Limited
	Chethana Healthcare Solutions Private Limited
	Vasavi Medicare Solutions Private Limited
	SVMED Solutions Private Limited
	Chethana Pharma Private Limited
	Millennium Medisolutions Private Limited
	Rada Medisolutions Private Limited
	Sesha Balajee Medisolutions Private Limited
	Barros Enterprises Private Limited
	Chethana Pharma Distributors Private Limited
	Sree Venkateshwara Medisolutions Private Limited
	CPD Pharma Private Limited
	Calcutta Medisolutions Private Limited
	Curever Pharma Private Limited
	Rimedio Pharma Private Limited
	Quomed Life Sciences Private Limited
	Western Healthcare Solutions Private Limited
	Atreja Healthcare Solutions Private Limited
	City Pharma Distributors Private Limited
	Swami Medisolutions Private Limited
	Zennx Software Solutions Private Limited
	New Siva Agencies Private Limited
	New RRPD Private Limited
	Sri Rama Pharmaceutical Distributors Private Limited
Sri parshva Pharma Distributors private limited	
Saurashtra Medisolutions Private Limited	
SVS Lifesciences Private Limited	
S.S. Pharma Traders Private Limited	
Key Management Personnel and their relative:	Prabhat Agrawal (Managing Director)
	Prem Sethi (Director)
	Sunny Sharma (Director)
	Jayant Prakash (CS)
	CV Ram ( Chief Financial Officer) w.e.f. 31 January 2023
	Arun Sadhanandham (Director)
	Vipul Desai (Director)

B. Details of related party transactions:

Nature of Transaction	Name of the related party	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Purchase of stock in trade	Novacare Healthcare Solutions Private Limited	13.83	8.26
	G.S.Pharmaceutical Distributors Private Limited	2.57	3.26
	Chhabra Healthcare Solutions Private Limited	3.14	8.77
	Getwell Medicare Solutions Private Limited	0.24	-
	Avenues Pharma Distributors Private Limited	0.01	-
	Jaggi Enterprises Private Limited	0.18	2.04
	Rada Medisolutions Private Limited	0.29	-
	Sesha Balajee Medisolutions Private Limited	0.50	-
	SVS Lifesciences Private Limited	0.58	-
	Barros Enterprises Private Limited	1.07	-
	Sree Venkateshwara Medisolutions Private Limited	0.17	-
	Calcutta Medisolutions Private Limited	1.65	1.79
	Atreja Healthcare Solutions Private Limited	5.50	0.78
	Galaxystar Pharma Distributors Private Limited	23.21	9.75
	Curever Pharma Private Limited	1.84	0.93
	Millennium Medisolutions Private Limited	33.25	62.15



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

	Chhabra Healthcare Solutions Private Limited	(1.39)	2.19
	Calcutta Medisolutions Private Limited	0.19	-
	R S M Pharma Private Limited	-	0.08
	Getwell Medicare Solution Private Limited	195.16	3.05
	Novacare Healthcare Solutions Private Limited	79.12	93.56
	Avenues Pharma Distributors Private Limited	1.77	2.20
	Barros Enterprises Pvt Ltd	1.74	2.24
	Chethana Pharma Private Limited	0.63	-
	Chirag Medicare Solutions Private Limited	1.60	0.18
	Galaxystar Pharma Distributors Private Limited	0.37	0.50
	G.S.Pharmaceutical Distributors Private Limited	(2.73)	6.30
	Jaggi Enterprises Private Limited	(1.39)	7.22
	Millennium Medisolutions Private Limited	10.00	7.13
	Rada Medisolutions Private Limited	0.71	5.56
	Sundarlal Pharma Distributors Private Limited	(0.04)	0.11
Sale of stock in trade	Saurashtra Medisolutions Private Limited	1.26	-
	S.S. Pharma Traders Private Limited	2.02	-
	SVMED Solutions Private Limited	2.81	5.54
	Vasavi Medicare Solutions Private Limited	(1.09)	0.29
	Chethana Pharma Distributors Private Limited	0.22	-
	Swami Medisolutions Private Limited	0.50	-
	Sri parshva Pharma Distributors private limited	4.65	-
	SVS Lifesciences Private Limited	0.76	-
	Sree Venkateshwara Medisolutions Private Limited	(2.14)	1.08
	CPD Pharma Private Limited	(0.15)	-
	Curever Pharma Private Limited	0.71	6.16
	Western Healthcare Solutions Private Limited	0.33	0.30
	Atreja Healthcare Solutions Private Limited	1.11	0.53
	City Pharma Distributors Private Limited	0.31	0.20
	New RRPD Private Limited	1.24	-
	New Siva Agencies Private Limited	1.24	0.43
	Sesha Balajee Medisolutions Pvt Ltd	(1.17)	1.63

Nature of Transaction	Name of the related party	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Loans Given	Novacare Healthcare Solutions Private Limited	5.50	180.00
	G.S.Pharmaceutical Distributors Private Limited	-	55.50
	R S M Pharma Private Limited	0.02	34.00
	Galaxystar Pharma Distributors Private Limited	-	16.00
	Sundarlal Pharma Distributors Private Limited	-	5.00
	Getwell Medicare Solution Private Limited	-	20.00
	Avenues Pharma Distributors Private Limited	22.00	10.00
	Chethana Healthcare Solutions Private Limited	-	3.00
	Atreja Healthcare Solutions Private Limited	9.50	36.10
	City Pharma Distributors Private Limited	2.00	34.70
	New RRPD Private Limited	-	59.30
	New Siva Agencies Private Limited	-	65.90
	Sri Parshva Pharma Distributors Private Limited	124.60	547.09
	Sri Rama Pharmaceutical Distributors Private Limited	354.90	122.03
	S.S. Pharma Traders Private Limited	136.54	-
	Saurashtra Medisolutions Private Limited	101.30	-
	Swami Medisolutions Private Limited	8.15	62.30
	Western Healthcare Solutions Pvt Ltd	-	187.50
	Chethana Pharma Private Limited	-	10.00
	Chirag Medicare Solutions Private Limited	-	10.00
	Jaggi Enterprises Private Limited	-	5.00
	Millennium Medisolutions Private Limited	35.00	30.00
	Rada Medisolutions Private Limited	-	6.00
	Sesha Balajee Medisolutions Pvt Ltd	3.00	13.10
	SVMED Solutions Private Limited	28.72	53.70
	SVS Lifesciences Private Limited	65.00	-
	Vasavi Medicare Solutions Private Limited	6.50	14.50
	Calcutta Medisolutions Private Limited	18.00	10.64
	Curever Pharma Private Limited	250.90	287.40
	Sree Venkateshwara Medisolutions Private Limited	22.50	10.40
	Chethana Pharma Distributors Private Limited	4.00	0.50
	Chhabra Healthcare Solutions Private Limited	29.00	81.00
CPD Pharma Private Limited	7.79	9.49	



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

Nature of Transaction	Name of the related party	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Loans Repaid	Novacare Healthcare Solutions Private Limited	-	203.95
	G.S.Pharmaceutical Distributors Private Limited	7.68	-
	Getwell Medicare Solution Private Limited	38.00	20.00
	Sundarlal Pharma Distributors Private Limited	-	5.00
	Chethana Healthcare Solutions Private Limited	18.00	3.00
	Chethana Pharma Private Limited	84.00	10.00
	Chirag Medicare Solutions Private Limited	69.00	30.00
	Galaxystar Pharma Distributors Private Limited	16.90	31.25
	Rada Medisolutions Private Limited	30.55	1.00
	R S M Pharma Private Limited	-	86.06
	Jaggi Enterprises Private Limited	1.00	-
	Vasavi Medicare Solutions Private Limited	-	33.73
	Barros Enterprises Private Limited	12.50	-
	Curever Pharma Private Limited	-	191.20
	Sesha Balajee Medisolutions Private Limited	-	32.49
	Sri parshva Pharma Distributors Private limited	-	303.41
	SVMED Solutions Private Limited	-	84.69
Western Healthcare Solutions Private Limited	9.80	50.00	
Barros Enterprises Private Limited	12.50	45.00	

Reimbursement of expenses	Avenues Pharma Distributors Private Limited-I	1.73	-
	Barros Enterprises Pvt Limited-Mpc	0.10	-
	Chethana Pharma Private Limited - Davangere	0.10	-
	Chethana Pharma Private Limited - Gulbarga	0.10	-
	Chirag Medicare Solutions Private Limited	0.10	-
	Galaxystar Pharma Distributors Pvt Ltd	3.84	-
	Getwell Medicare Solution Pvt Ltd	2.94	-
	RSM Pharma Private Limited	3.04	-
	Sesha Balajee Medisolutions Pvt Ltd	0.10	-
	Sri Parshva Pharma Distributors Private Limited	0.10	-
	SS Pharma Traders Pvt Ltd	0.64	-
	SVMED Solutions Private Limited	1.81	-
	SVS Lifesciences Pvt.Ltd.	1.23	-
	Vasavi Medicare Solutions Pvt	0.10	-
	Western Healthcare Solutions Private Limited	0.90	-

Nature of Transaction	Name of the related party	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Interest Income	Novacare Healthcare Solutions Private Limited	29.02	21.68
	G.S.Pharmaceutical Distributors Private Limited	15.76	7.94
	R S M Pharma Private Limited	14.80	13.89
	Galaxystar Pharma Distributors Private Limited	7.72	6.99
	Sundarlal Pharma Distributors Private Limited	10.35	6.42
	Chhabra Healthcare Solutions Private Limited	12.35	6.48
	Getwell Medicare Solution Private Limited	13.40	7.50
	Avenues Pharma Distributors Private Limited	43.64	25.64
	Barros Enterprises Pvt Ltd	9.93	8.01
	Chethana Healthcare Solutions Private Limited	7.80	5.02
	Chethana Pharma Private Limited	8.09	7.96
	Chirag Medicare Solutions Private Limited	9.11	7.97
	Jaggi Enterprises Private Limited	20.53	12.38
	Millennium Medisolutions Private Limited	29.35	15.22
	Rada Medisolutions Private Limited	13.30	7.51
	Sesha Balajee Medisolutions Pvt Ltd	16.39	9.83
	S.S. Pharma Traders Private Limited	9.43	-
	Saurashtra Medisolutions Private Limited	9.50	-
	SVS Lifesciences Private Limited	5.66	-
	SVMED Solutions Private Limited	15.93	8.58
Vasavi Medicare Solutions Private Limited	14.94	9.00	
Calcutta Medisolutions Private Limited	3.97	0.90	



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

Nature of Transaction	Name of the related party	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Interest Income	Curever Pharma Private Limited	25.25	11.31
	Sree Venkateshwara Medisolutions Private Limited	5.89	2.29
	Chethana Pharma Distributors Private Limited	1.52	0.85
	CPD Pharma Private Limited	2.87	1.56
	Western Healthcare Solutions Private Limited	19.17	12.45
	Atreja Healthcare Solutions Private Limited	5.46	1.97
	City Pharma Distributors Private Limited	4.73	1.22
	Swami Medisolutions Private Limited	8.61	1.16
	New Siva Agencies Private Limited	8.57	1.53
	New RRPD Private Limited	7.71	1.15
	Sri Rama Pharmaceutical Distributors Private Limited	38.27	0.47
	Sri parshva Pharma Distributors private limited	29.79	4.90
Remuneration Paid	Prabhat Agrawal	34.53	31.20
	Prem Sethi	19.10	15.78
	CV Ram	3.60	-
	Jayant Prakash	4.13	1.58
Rent Income	Millennium Medisolutions Private Limited	2.20	-
	Curever Pharma Private Limited	1.73	1.73
	SVMED Solutions Private Limited	0.63	0.61
	Rimedio Pharma Private Limited	0.01	0.01
	Quomed Life Sciences Private Limited	0.01	0.01
Commission Expense	Novacare Healthcare Solutions Private Limited	12.44	5.86
Commission Income	Curever Pharma Private Limited	0.46	2.64
Corporate Guarantees Given	Novacare Healthcare Solutions Private Limited	500.00	500.00
	Getwell Medicare Solution Private Limited	250.00	150.00
	Avenues Pharma Distributors Private Limited	350.00	350.00
	Chethana Healthcare Solutions Private Limited	50.00	50.00
	Chirag Medicare Solutions Private Limited	150.00	150.00
	R S M Pharma Private Limited	250.00	250.00
	G.S.Pharmaceutical Distributors Private Limited	120.00	80.00
	Chhabra Healthcare Solutions Private Limited	50.00	50.00
	Sundarlal Pharma Distributors Private Limited	70.00	70.00
	Galaxystar Pharma Distributors Private Limited	150.00	150.00
	SVMED Solutions Private Limited	150.00	150.00
	Vasavi Medicare Solutions Private Limited	150.00	150.00
	Rada Medisolutions Private Limited	100.00	-
	Barros Enterprises Private Limited	67.00	67.00
	Sesha Balajee Medisolutions Pvt Ltd	150.00	150.00
	Jaggi Enterprises Private Limited	120.00	120.00
	Western Healthcare Solutions Private Limited	80.00	80.00
	Chethana Pharma Private Limited	150.00	150.00
	Sri Rama Pharmaceutical Distributors Private Limited	158.64	226.62
	Sri Parshva Pharma Distributors private limited	228.84	547.33
Millennium Medisolutions Private Limited	150.00	150.00	
Curever Pharma Private Limited	-	200.00	

C. Details of balances outstanding for related party transactions:

Nature of Transaction	Name of the related party	As at 31 March 2023	As at 31 March 2022
Loans Given	Novacare Healthcare Solutions Private Limited	221.44	215.94
	G.S.Pharmaceutical Distributors Private Limited	118.00	125.69
	R S M Pharma Private Limited	112.08	112.06
	Galaxystar Pharma Distributors Private Limited	55.54	72.44
	Sundarlal Pharma Distributors Private Limited	79.62	79.62
	Chhabra Healthcare Solutions Private Limited	109.94	80.94
	Getwell Medicare Solution Private Limited	68.13	106.13
	Avenues Pharma Distributors Private Limited	343.10	321.10
	Barros Enterprises Pvt Ltd	69.03	81.53
	Chethana Healthcare Solutions Private Limited	44.70	62.70
	Chethana Pharma Private Limited	15.15	99.15
	Chirag Medicare Solutions Private Limited	21.58	90.58
	Jaggi Enterprises Private Limited	157.07	158.07
	Millennium Medisolutions Private Limited	234.98	199.98
	Rada Medisolutions Private Limited	65.35	95.90
	Sesha Balajee Medisolutions Pvt Ltd	127.36	124.36
	SVMED Solutions Private Limited	136.31	107.59



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

Nature of Transaction	Name of the related party	As at 31 March 2023	As at 31 March 2022
Loans Given	Vasavi Medicare Solutions Private Limited	118.54	112.04
	Calcutta Medisolutions Private Limited	35.40	17.40
	Curever Pharma Private Limited	355.10	104.20
	Sree Venkateshwara Medisolutions Private Limited	57.85	35.35
	Chethana Pharma Distributors Private Limited	15.00	11.00
	CPD Pharma Private Limited	28.23	20.44
	Western Healthcare Solutions Private Limited	127.70	137.50
	Atreja Healthcare Solutions Private Limited	45.60	36.10
	Swami Medisolutions Private Limited	70.45	62.30
	New Siva Agencies Private Limited	65.90	65.90
	New RRPD Private Limited	59.30	59.30
	Sri Rama Pharmaceutical Distributors Private Limited	476.93	122.03
	S.S. Pharma Traders Private Limited	136.54	-
	Saurashtra Medisolutions Private Limited	101.30	-
	SVS Lifesciences Private Limited	65.00	-
Sri parshva Pharma Distributors private limited	368.28	243.69	

Nature of Transaction	Name of the related party	As at 31 March 2023	As at 31 March 2022
Interest receivable	Novacare Healthcare Solutions Private Limited	45.64	19.51
	G.S.Pharmaceutical Distributors Private Limited	14.18	17.82
	R S M Pharma Private Limited	3.30	12.50
	Galaxystar Pharma Distributors Private Limited	-	6.29
	Sundarlal Pharma Distributors Private Limited	12.27	12.86
	Chhabra Healthcare Solutions Private Limited	13.44	5.83
	Getwell Medicare Solution Private Limited	2.70	6.75
	Avenues Pharma Distributors Private Limited	59.18	69.91
	Barros Enterprises Pvt Ltd	2.12	7.21
	Chethana Healthcare Solutions Private Limited	-	4.52
	Chethana Pharma Private Limited	-	7.16
	Chirag Medicare Solutions Private Limited	-	7.18
	Jaggi Enterprises Private Limited	23.98	25.91
	Millennium Medisolutions Private Limited	40.12	13.70
	Rada Medisolutions Private Limited	2.07	15.05
	Sesha Balajee Medisolutions Pvt Ltd	20.60	8.85
	S.S. Pharma Traders Private Limited	8.49	-
	Saurashtra Medisolutions Private Limited	8.55	-
	SVS Lifesciences Private Limited	5.10	-
	SVMED Solutions Private Limited	14.34	7.72
	Vasavi Medicare Solutions Private Limited	17.55	8.10
	Western Healthcare Solutions Private Limited	17.25	11.20
	Atreja Healthcare Solutions Private Limited	6.69	1.78
	City Pharma Distributors Private Limited	5.35	1.09
	Swami Medisolutions Private Limited	8.79	1.04
	New Siva Agencies Private Limited	7.71	1.38
	New RRPD Private Limited	6.94	1.04
	Sri Rama Pharmaceutical Distributors Private Limited	34.87	0.43
	Sri parshva Pharma Distributors private limited	19.42	4.41
	Calcutta Medisolutions Private Limited	4.40	0.83
Curever Pharma Private Limited	32.93	10.20	
Sree Venkateshwara Medisolutions Private Limited	8.02	2.72	
Chethana Pharma Distributors Private Limited	2.51	1.14	
CPD Pharma Private Limited	4.00	1.42	

Nature of Transaction	Name of the related party	As at 31 March 2023	As at 31 March 2022
Trade Receivables	Novacare Healthcare Solutions Private Limited	165.44	152.70
	R S M Pharma Private Limited	5.19	2.81
	Barros Enterprises Pvt Ltd	0.35	0.29
	Chhabra Healthcare Solutions Private Limited	0.95	4.21
	Galaxystar Pharma Distributors Private Limited	4.94	0.78
	Getwell Medicare Solution Private Limited	8.88	41.47
	G.S.Pharmaceutical Distributors Private Limited	4.42	11.60
	Jaggi Enterprises Private Limited	8.17	10.72
	Millennium Medisolutions Private Limited	2.89	8.74
	Sesha Balajee Medisolutions Pvt Ltd	0.35	1.97
	Chirag Medicare Solutions Private Limited	0.61	0.15
	Sree Venkateshwara Medisolutions Private Limited	0.27	4.67



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

Nature of Transaction	Name of the related party	As at	As at
		31 March 2023	31 March 2022
Trade Receivables	Avenues Pharma Distributors Private Limited	5.28	4.40
	CPD Pharma Private Limited	0.46	0.63
	Calcutta Medisolutions Private Limited	0.06	0.14
	Curever Pharma Private Limited	12.44	6.41
	Chethana Pharma Private Limited	0.36	-
	Chethana Healthcare Solutions Private Limited	0.11	-
	Rada Medisolutions Private Limited	1.19	10.02
	Sundarlal Pharma Distributors Private Limited	0.30	0.45
	SVMED Solutions Private Limited	0.69	12.44
	Western Healthcare Solutions Private Limited	1.14	0.26
	New Siva Agencies Private Limited	1.47	0.17
	Sri Rama Pharmaceutical Distributors Private Limited	4.92	-
	Sri Parshva Pharma Distributors Private Limited	0.78	-
	Saurashtra Medisolutions Private Limited	0.32	-
	Swami Medisolutions Private Limited	0.24	-
	New RRPD Private Limited	1.30	-
	Chethana Pharma Distributors Private Limited	0.09	-
	SVS Lifesciences Private Limited	0.43	-
	City Pharma Distributors Private Limited	0.36	0.01
	Atreja Healthcare Solutions Private Limited	1.52	0.60
Vasavi Medicare Solutions Private Limited	(0.15)	1.26	

Investments	Novacare Healthcare Solutions Private Limited	110.00	110.00
	G.S.Pharmaceutical Distributors Private Limited	36.00	36.00
	R S M Pharma Private Limited	47.70	47.70
	Galaxystar Pharma Distributors Private Limited	57.90	48.00
	Sundarlal Pharma Distributors Private Limited	32.90	23.00
	Chhabra Healthcare Solutions Private Limited	35.00	35.00
	Getwell Medicare Solution Private Limited	68.00	68.00
	Avenues Pharma Distributors Private Limited	0.10	0.10
	Barros Enterprises Pvt Ltd	0.10	0.10
	Chethana Healthcare Solutions Private Limited	1.00	1.00
	Chethana Pharma Private Limited	3.00	3.00
	Chirag Medicare Solutions Private Limited	1.00	1.00
	Jaggi Enterprises Private Limited	0.10	0.10
	Millennium Medisolutions Private Limited	0.10	0.10
	Rada Medisolutions Private Limited	0.10	0.10
	Sesha Balajee Medisolutions Pvt Ltd	0.10	0.10
	SVMED Solutions Private Limited	0.10	0.10
	Vasavi Medicare Solutions Private Limited	0.10	0.10
	Chethana Pharma Distributors Private Limited	0.10	0.10
	Sree Venkateshwara Medisolutions Private Limited	0.10	0.10
	CPD Pharma Private Limited	10.10	10.10
	Calcutta Medisolutions Private Limited	0.10	0.10
	Curever Pharma Private Limited	0.10	0.10
	Rimedio Pharma Private Limited	0.10	0.10
	Quromed Life Sciences Private Limited	0.10	0.10
	Western Healthcare Solutions Private Limited	0.10	0.10
	Atreja Healthcare Solutions Private Limited	0.10	0.10
	City Pharma Distributors Private Limited	0.10	0.10
	Swami Medisolutions Private Limited	0.10	0.10
	Saurashtra Medisolutions Private Limited	0.10	-
	SVS Lifesciences Private Limited	0.10	-
	S.S. Pharma Traders Private Limited	0.10	-
	New Siva Agencies Private Limited	0.10	0.10
New RRPD Private Limited	0.10	0.10	
Sri Rama Pharmaceutical Distributors Private Limited	0.10	0.10	
Sri parshva Pharma Distributors private limited	0.10	0.10	
Zennx Software Solutions Private Limited	0.10	0.10	

Commission Expense	Novacare Healthcare Solutions Private Limited	-	-
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Reimbursement of expenses	Curever Pharma Private Limited	-	3.03
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Nature of Transaction	Name of the related party	As at	As at
		31 March 2023	31 March 2022
Trade payables	Jaggi Enterprises Private Limited	1.48	1.32
	Millennium Medisolutions Private Limited	4.06	30.52
	G.S.Pharmaceutical Distributors Private Limited	2.89	2.04
	Galaxystar Pharma Distributors Private Limited	1.46	1.74
	Sesha Balajee Medisolutions Pvt Ltd	(0.04)	-
	Calcutta Medisolutions Private Limited	0.17	(0.04)



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

Nature of Transaction	Name of the related party	As at	As at
		31 March 2023	31 March 2022
Trade payables	Novacare Healthcare Solutions Private Limited	26.55	12.82
	Getwell Medicare Solution Private Limited	0.27	-
	Avenues Pharma Distributors Private Limited	0.01	-
	Rada Medisolutions Private Limited	0.09	-
	Sree Venkateshwara Medisolutions Private Limited	0.09	-
	Atreja Healthcare Solutions Private Limited	0.69	(0.00)
	SVS Lifesciences Private Limited	0.65	-
	Curever Pharma Private Limited	-	1.04
	Chhabra Healthcare Solutions Private Limited	(1.29)	4.31

Nature of Transaction	Name of the related party	As at	As at
		31 March 2023	31 March 2022
Corporate Guarantees Given	Novacare Healthcare Solutions Private Limited	431.05	433.44
	Getwell Medicare Solution Private Limited	211.81	76.74
	Avenues Pharma Distributors Private Limited	330.86	250.28
	Chethana Healthcare Solutions Private Limited	38.10	17.23
	Chirag Medicare Solutions Private Limited	126.59	84.29
	R S M Pharma Private Limited	165.29	189.16
	G.S.Pharmaceutical Distributors Private Limited	112.86	72.65
	Chhabra Healthcare Solutions Private Limited	53.99	39.48
	Sundarlal Pharma Distributors Private Limited	20.56	21.16
	SVMED Solutions Private Limited	99.77	80.26
	Galaxystar Pharma Distributors Private Limited	104.29	84.01
	Jaggi Enterprises Private Limited	91.63	85.55
	Chethana Pharma Private Limited	132.97	59.42
	Millennium Medisolutions Private Limited	121.47	128.55
	Rada Medisolutions Private Limited	97.00	-
	Sri Rama Pharmaceutical Distributors Private Limited	158.64	226.62
	Sri parshva Pharma Distributors private limited	228.84	303.64
	Barros Enterprises Private Limited	39.61	34.61
	Sesha Balajee Medisolutions Private Limited	55.34	48.03
	Vasavi Medicare Solutions Private Limited	76.83	61.11
Western Healthcare Solutions Private Limited	67.55	22.89	

D. Key management personnel compensation:

Particulars	For the Year ended	For the Year ended
	31 March 2023	31 March 2022
Director Remuneration:		
Salaries and Allowances	57.76	48.56

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

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



Entero Healthcare Solutions Private Limited  
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2023  
(Amount in Millions, unless otherwise stated)

47 Disclosure related to Leases  
Company as Lessee

Particulars	As at	As at
	31 March 2023	31 March 2022
Lease hold Property	166.37	226.30

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Balance at the beginning of the year	226.298	214.298
Additions	7.89	51.74
Depreciation charge for the year	(44.48)	(39.74)
Deduction during the year	(37.82)	-
Balance at the end of the year	151.89	226.30

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Balance at the beginning of the year	254.97	231.84
Additions	7.76	49.95
Payment during the year	(56.78)	(49.15)
Gain on modification of lease liability	(4.42)	0.67
Finance cost	21.77	21.65
Deletion	(22.58)	-
Balance at the end of the year	200.71	254.97

(C) Maturity analysis of lease liabilities

Particulars	As at	As at
	31 March 2023	31 March 2022
Less than one year	56.06	59.74
One to five years	184.62	218.34
More than five years	14.05	61.42
Total undiscounted lease liabilities at reporting year	254.73	339.50
Lease liabilities included in the statement of financial position at the year ended	200.71	254.97

(D) Amounts recognised in statement of profit or loss

Particulars	For the Year ended	For the Year ended
	31 March 2023	31 March 2022
Interest on lease liabilities	21.77	22.33
Expenses relating to short-term leases	1.27	2.57
Amotisation of Right to Use Assets	44.48	39.74

(E) Amounts recognised in the statement of cash flows

Particulars	For the Year ended	For the Year ended
	31 March 2023	31 March 2022
Total Cash outflow for leases	56.78	49.15

48 Statement of unhedged foreign currency exposure:

Particulars	As at		As at	
	31 March 2023		31 March 2022	
	Amount in USD	Amount in INR	Amount in USD	Amount in INR
Advance to vendors	0.03	2.20	0.05	3.56



49 Ratio Analysis

Particulars	Numerator	Denominator	31-Mar-23	31-Mar-22	Variance (%)
a) Current Ratio	Current Assets	Current Liabilities	5.00	6.97	-28.26%
Explanation	The company has borrowed fund during the year, resulting in decrease of current ratio.				
(b) Debt-Equity Ratio	Short term and long term borrowings	Total Equity	0.11	0.05	99.87%
Explanation	The company has borrowed fund during the year, resulting in increase in Debt ratio				
(c) Debt Service Coverage Ratio	Earning before Interest and Tax	Short term and long term borrowings	(0.06)	(1.26)	-94.92%
Employee benefits expense	The company has borrowed fund during the year, resulting in decrease of current ratio.				
(d) Return on Equity Ratio	Net Profit After Tax	Total Equity	(0.02)	(0.07)	71.44%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	4.75	3.07	54.61%
Explanation	Increased in Revenue and better management of inventory days.				
(f) Trade Receivables turnover ratio	Net credit sales	Average Trade receivables	3.63	3.30	9.98%
(g) Trade payables turnover ratio	Credit purchases	Average Trade payable	3.25	5.76	-43.52%
Explanation	Improved sales due to operating efficiency				
(h) Net capital turnover ratio	Sales	Working Capital (Current Assets-Current Liabilities)	0.33	0.29	14.74%
(i) Net profit ratio	Net profit after tax	Net Sales	(0.07)	(0.30)	76.63%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(j) Return on Capital employed	Earning before Interest and Tax	Capital Employed	(0.01)	(0.07)	89.85%
Explanation	Decreased ratio due to increase in employee benefits & finance cost for business growth.				
(k) Return on investment	Net profit after tax	Average Total Assets	(0.02)	(0.07)	74.44%
Explanation	Decreased ratio due to increase in employee benefits & finance cost over a period for business growth.				

50 Other Statutory Information:

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or extended loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- (viii) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (ix) The Company has not been declared wilful defaulter by any bank or financial institution or by any government authorities.
- (x) 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.
- (xi) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (xii) 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 (and 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).



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

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

  
Vaijayantimala Belsare  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 03 AUG 2023



Entero Healthcare Solutions Private Limited  
CIN: U74999HR2018PTC072204

  
Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 03 AUG 2023

  
Prem Sethi  
Director  
DIN: 07077034

  
CV Ram  
CFO  
M.N.: 206013

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



## INDEPENDENT AUDITOR'S REPORT

To the Members of Entero Healthcare Solutions Private Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Entero Healthcare Solutions Private Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



## Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

## Other Matters

We did not audit the financial statements of 21 subsidiaries, whose financial statements reflect total assets of ₹ 3,056.71 Millions as at March 31, 2023, total revenues of ₹ 6,598.60 Millions and net cash flows amounting to ₹ 42.74 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.



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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except that five subsidiary companies have not taken back-up of books of accounts and other books and papers maintained in electronic mode on Sundays and one subsidiary company has taken monthly back-ups. Further, the servers for the back-up of books of account and other books and papers of the eleven subsidiaries may be located outside India.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Group.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.



iv.

1. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  2. The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary companies, incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Holding Company and its subsidiary companies incorporated in India, as they are private Companies.



# MSKA & Associates

Chartered Accountants

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditor of subsidiary included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

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



Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 23049902BGXVQM2788  
Place: Mumbai  
Date: August 3, 2023



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

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

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



Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 23049902BGXVQM2788  
Place: Mumbai  
Date: August 3, 2023



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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Entero Healthcare Solutions Private Limited on the consolidated Financial Statements for the year ended March 31, 2023]

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

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of Entero Healthcare Solutions Private Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.



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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

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

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

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

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



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Chartered Accountants

## Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 21 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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



Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 23049902BGXVQM2788  
Place: Mumbai  
Date: August 3, 2023



Entero Healthcare Solutions Private Limited  
Consolidated Balance Sheet as at 31 March 2023  
(₹ in Million, unless otherwise stated)

Particulars	Notes	As at	
		31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	968.61	1,073.24
Capital work-in-progress	9	-	5.86
Goodwill	6	1,670.32	1,502.44
Other intangible assets	7	38.37	44.00
Intangible asset under development	8	-	0.54
<b>Financial assets</b>			
Other Financial Assets	10	79.47	67.46
Deferred tax asset (net)	11	20.08	6.77
Non Current tax assets (net)	12	78.72	48.62
Other non-current assets	13	-	2.07
<b>Total non-current assets</b>		<b>2,855.57</b>	<b>2,751.00</b>
<b>Current assets</b>			
Inventories	14	3,416.28	3,101.64
<b>Financial assets</b>			
Trade receivables	15	5,148.84	3,745.99
Cash and cash equivalents	16	253.62	465.08
Bank balances other than cash and cash equivalent	17	814.82	588.90
Loans	18	5.92	10.22
Other financial assets	19	14.06	15.37
Other current assets	20	578.16	581.63
<b>Total current assets</b>		<b>10,231.70</b>	<b>8,508.83</b>
<b>Total assets</b>		<b>13,087.27</b>	<b>11,259.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	21	41.12	38.50
Instruments entirely equity in nature	22	6,636.14	6,189.90
Other equity	23	(726.99)	(617.99)
<b>Equity attributable to owners of the company</b>		<b>5,950.27</b>	<b>5,610.41</b>
<b>Non-Controlling Interests</b>	24	<b>26.34</b>	<b>21.75</b>
<b>Total equity</b>		<b>5,976.61</b>	<b>5,632.16</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	27	310.67	371.26
Lease Liabilities	25	499.68	576.86
Provisions	26	54.03	44.32
Deferred tax Liabilities (net)	11	6.72	17.43
<b>Total non-current liabilities</b>		<b>871.10</b>	<b>1,009.87</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	27	3,424.48	2,479.02
Lease Liabilities	25	134.76	119.17
Trade payables	28		
i) total outstanding dues of micro enterprises and small enterprises		44.01	23.42
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		2,060.99	1,374.37
Other financial liabilities	29	309.48	410.55
Other current liabilities	30	201.55	119.34
Provisions	26	46.47	79.59
Current tax liabilities (net)	12	17.82	12.34
<b>Total current liabilities</b>		<b>6,239.56</b>	<b>4,617.80</b>
<b>Total liabilities</b>		<b>7,110.66</b>	<b>5,627.67</b>
<b>Total equity and liabilities</b>		<b>13,087.27</b>	<b>11,259.83</b>

See accompanying notes to the consolidated financial statements

1 - 59

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

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors

Entero Healthcare Solutions Private Limited

CIN: U74999HR2018PTC072204

Valjayantimala Belsare

Partner

Membership No: 049902

Place: Mumbai

Date: 03 AUG 2023



Prabhat Agrawal

Managing Director

DIN: 07466382

Place: Mumbai

Date: 03 AUG 2023

Prem Sethi

Director

DIN: 07077034

CV Ram

Chief Financial Officer

M.N.: 206013

Jayant Prakash

Company Secretary

M.N.:FCS-6742



Entero Healthcare Solutions Private Limited  
 Consolidated Statement of Profit and Loss for the year ended 31 March 2023  
 (₹ in million, unless otherwise stated)

Particulars	Notes	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>Income</b>			
Revenue from operations	31	33,002.07	25,220.65
Other income	32	55.14	44.83
<b>Total income</b>		<b>33,057.21</b>	<b>25,265.48</b>
<b>Expenses</b>			
Purchase of Stock-in-trade	33	30,512.60	23,424.71
Changes in inventories of Stock-in-trade	34	(193.95)	(300.34)
Employee benefits expense	35	1,281.40	1,148.06
Finance costs	36	489.72	289.78
Depreciation and amortization expense	37	242.37	197.54
Other expenses	38	761.95	703.84
<b>Total expenses</b>		<b>33,094.09</b>	<b>25,463.59</b>
<b>Loss before tax</b>		<b>(36.88)</b>	<b>(198.11)</b>
<b>Tax expense</b>			
Current tax	39	99.65	98.64
Deferred tax	39	(25.49)	(2.36)
<b>Total income tax expense</b>		<b>74.16</b>	<b>96.28</b>
<b>Loss for the year</b>		<b>(111.04)</b>	<b>(294.39)</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Remeasurement gains/(losses) on defined benefit plan		8.11	(0.26)
Income tax effect		(1.48)	(0.07)
<b>Total</b>		<b>6.63</b>	<b>(0.33)</b>
Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>6.63</b>	<b>(0.33)</b>
<b>Total comprehensive income for the year</b>		<b>(104.41)</b>	<b>(294.71)</b>
<b>Loss attributable to</b>			
Owners of the Company		(115.57)	(299.20)
Non-Controlling Interest		4.53	4.81
<b>Total comprehensive income attributable to</b>		<b>(111.04)</b>	<b>(294.39)</b>
Owners of the Company		(109.00)	(299.52)
Non-Controlling Interest		4.59	4.81
<b>Earnings per share</b>			
Basic (INR)	40	(0.18)	(0.53)
Diluted (INR)		(0.18)	(0.53)

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

1 - 59

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

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

  
 Vijayantimala Belsare  
 Partner  
 Membership No: 049902  
 Place: Mumbai  
 Date: 03 AUG 2023



  
 Prabhat Agrawal  
 Managing Director  
 DIN: 07466382  
 Place: Mumbai  
 Date: 03 AUG 2023

  
 Prem Sethi  
 Director  
 DIN: 07077034

  
 CV Ram  
 Chief Financial Officer  
 M.N.: 206013

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



Entero Healthcare Solutions Private Limited  
 Consolidated Statement of Profit and Loss for the year ended 31 March 2023  
 (₹ in Million, unless otherwise stated)

(A) Equity share capital

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year		38.50	1.00
Changes in Equity Share capital during the year	21	2.61	37.50
Balance at the end of the year		41.12	38.50

(B) Other equity

Particulars	Instruments entirely equity in nature	Reserve and surplus	Total equity attributable to owners	Attributable to Non controlling interest	Total Equity
		Retained earnings			
As at 31 March 2021	5,171.12	(318.46)	4,852.66	16.94	4,869.60
Changes during the year					
Issued during the year	1,018.78	-	1,018.78	-	1,018.78
Profit/(Loss) for the year	-	(299.20)	(299.20)	4.81	(294.39)
Other comprehensive income for the year	-	(0.33)	(0.33)	-	(0.33)
As at 31 March 2022	6,189.90	(617.99)	5,571.91	21.75	5,593.66
Changes during the year					
Issued during the year	446.24	-	446.24	-	446.24
Profit/(Loss) for the year	-	(115.57)	(115.57)	4.53	(111.04)
Other comprehensive income for the year	-	6.57	6.57	0.06	6.63
Total	6,636.14	(726.99)	5,909.15	26.34	5,935.49
Balance as at 31 March 2023	6,636.14	(726.99)	5,909.15	26.34	5,935.49

See accompanying notes to the consolidated financial statements

1 - 59

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

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

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

  
 Vaijayantimala Belsare  
 Partner  
 Membership No: 049902  
 Place: Mumbai  
 Date: 03 AUG 2023

  
 Prabhat Agrawal  
 Managing Director  
 DIN: 07466382  
 Place: Mumbai  
 Date: 03 AUG 2023

  
 Prem Sethi  
 Director  
 DIN: 07077034  
 Date: 03 AUG 2023

  
 CV Ram  
 Chief Financial Officer  
 M.N.: 206013

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



Entero Healthcare Solutions Private Limited  
Consolidated Statement of Cash Flows for the year ended 31 March 2023  
(₹ in Million, unless otherwise stated)

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>Cash flow from operating activities</b>		
Loss before tax	(36.88)	(198.11)
Adjustments for:		
Depreciation and amortization expenses	242.37	197.54
Finance cost	489.72	289.78
Provision for expected credit loss	53.79	62.50
Provision for retirement benefits & Leave obligation	18.11	22.12
Interest income	(40.90)	(34.39)
Provision for sales return	(33.42)	(122.38)
<b>Operating profit before working capital changes</b>	<b>692.79</b>	<b>217.06</b>
<b>Changes in working capital</b>		
Increase/(Decrease) in trade payables	575.85	185.18
Increase/(Decrease) in other current liabilities	33.33	2.22
Increase/(Decrease) in other financial liabilities	(101.08)	302.39
(Increase)/Decrease in inventories	(193.94)	(300.97)
(Increase)/Decrease in trade receivables	(1,337.18)	(682.19)
(Increase)/Decrease in loans	4.30	(2.70)
(Increase)/Decrease in other financial assets	(10.69)	(12.64)
(Increase)/Decrease in other current assets	5.67	50.10
(Increase)/Decrease in other non current assets	2.07	(2.07)
<b>Cash used in operations</b>	<b>(328.88)</b>	<b>(243.61)</b>
Income tax paid	(124.27)	(109.04)
<b>Net cash flow used in operating activities (A)</b>	<b>(453.15)</b>	<b>(352.65)</b>
<b>Cash flow from Investing activities</b>		
Purchase consideration on acquisition of business / subsidiaries	(245.74)	(1,469.24)
Payment for property, plant and equipment and intangible assets	(55.19)	(98.66)
Interest received	40.90	34.39
Investment in Bank deposits	(225.92)	(83.81)
<b>Net cash flow used in investing activities (B)</b>	<b>(485.95)</b>	<b>(1,617.32)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of Equity Shares	2.62	37.95
Proceeds from issuance of convertible preference shares	446.24	1,018.78
Proceeds from borrowings	884.87	1,433.25
Principal paid on lease liabilities	(116.37)	(87.83)
Interest paid on lease liabilities	(65.37)	(61.64)
Interest paid	(424.35)	(228.14)
<b>Net cash flow from financing activities (C)</b>	<b>727.64</b>	<b>2,111.92</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(211.46)</b>	<b>141.95</b>
Cash and cash equivalents at the beginning of the year	465.08	323.14
<b>Cash and cash equivalents at the end of the year</b>	<b>253.62</b>	<b>465.09</b>
<b>Cash and cash equivalents comprise (Refer note 16)</b>		
Balances with banks		
On current accounts	217.46	439.21
Fixed deposits with maturity of less than 3 months	5.34	1.49
Cash on hand	29.61	24.25
Cheques on hand	1.21	0.13
<b>Total cash and bank balances at end of the year</b>	<b>253.62</b>	<b>465.08</b>



Entero Healthcare Solutions Private Limited  
 Consolidated Statement of Cash Flows for the year ended 31 March 2023  
 (₹ in Million, unless otherwise stated)

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

Particulars	31 March 2023	31 March 2022
<b>Opening balance</b>		
Cash credit facility	1,810.65	1,408.53
Term Loan	1,030.26	-
Loans and advances from Others	9.36	8.50
Interest accrued and due on borrowings	1.41	1.90
<b>Total</b>	<b>2,851.68</b>	<b>1,418.93</b>
<b>Movement</b>		
Cash flows-Cash Credit facility	(528.26)	402.12
Term Loan	302.88	1,030.26
Loans and advances from Others	53.74	0.86
Interest paid	(484.82)	(290.27)
Interest expenses	489.72	289.78
<b>Closing Balance</b>		
Cash credit facility	2,338.91	1,810.65
Term Loan	1,333.14	1,030.26
Loans and advances from Others	63.10	9.36
Interest accrued and due on borrowings	190.92	1.41
<b>Total</b>	<b>3,926.07</b>	<b>2,851.68</b>

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

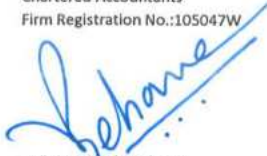
2. Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition).

See accompanying notes to the consolidated financial statements

1 - 59

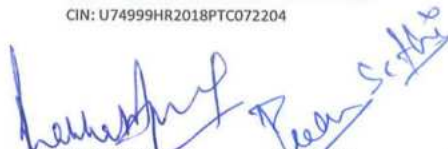
The accompanying notes are an integral part of the financial statements.

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



Valljayantimala Belsare  
 Partner  
 Membership No: 049902  
 Place: Mumbai  
 Date: 03 AUG 2023

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



Prabhat Agrawal  
 Managing Director  
 DIN: 07466382  
 Place: Mumbai  
 Date: 03 AUG 2023

Prem Sethi  
 Director  
 DIN: 07077034

CV Ram  
 Chief Financial Officer  
 M.N.: 206013

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

#### 1. General Information

The consolidated financial statements comprise financial statements of Entero Healthcare Solutions Private Limited (the "Company") and its subsidiaries (collectively, the Group) for the year ended 31 March 2023. The Company was incorporated on 10 January 2018 under the provisions of the Companies Act, 2013 applicable in India. Its registered office of business is located at Faridabad, Haryana. The Group is the authorized distributor for most of the top Pharmaceutical companies in India. It also has strategic supply relationship with some of the leading corporate hospital chains of the country.

#### 2. Significant accounting policies

Significant accounting policies adopted by the group are as under:

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

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

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

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

These financial statements are approved by the Board of Directors on 03 August 2023.

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

###### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used for business combination by the group. The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member in the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

###### (ii) Consolidation procedure:

- a) The Group Combines the financial statements of parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.



**Entero Healthcare Solutions Private Limited****Notes forming part of the consolidated financial statements for the year ended 31 March 2023**

(₹ in Million, unless otherwise stated)

- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income and expenses relating to transactions between entities of the group.

(iii) Non-controlling interests (NCI):

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

The subsidiaries considered in the consolidated financial statement are :

Sr. No.	Name of the Company	Country of Incorporation	% ownership as at 31 March 2023	with effect from
1	G.S.Pharmaceutical Distributors Private Limited	India	100%	09-08-2018
2	Novacare Healthcare Solutions Private Limited	India	100%	09-08-2018
3	R S M Pharma Private Limited	India	100%	14-08-2018
4	Getwell Medicare Solution Private Limited	India	85%	26-12-2018
5	Sundarlal Pharma Distributors Private Limited	India	100%	29-12-2018
6	Chhabra Healthcare Solutions Private Limited	India	100%	19-01-2019
7	Galaxystar Pharma Distributors Private Limited	India	100%	21-02-2019
8	Avenues Pharma Distributors Private Limited	India	100%	15-04-2019
9	Chirag Medicare Solutions Private Limited	India	100%	15-05-2019
10	Jaggi Enterprises Private Limited	India	100%	20-05-2019
11	Chethana Healthcare Solutions Private Limited	India	100%	29-05-2019
12	Vasavi Medicare Solutions Private Limited	India	100%	31-05-2019
13	SVMED Solutions Private Limited	India	100%	12-06-2019
14	Chethana Pharma Private Limited	India	100%	06-08-2019
15	Millennium Medisolutions Private Limited	India	100%	07-08-2019
16	Rada Medisolutions Private Limited	India	100%	21-08-2019
17	Sesha Balajee Medisolutions Private Ltd	India	100%	13-01-2020
18	Barros Enterprises Private Limited	India	100%	02-03-2020
19	Rimedio Pharma Private Limited	India	100%	26-03-2020
20	Quomed Life Sciences Private Limited	India	100%	26-03-2020
21	Chethana Pharma Distributors Private Limited	India	100%	08-04-2020
22	Sree Venkateshwara Medisolutions Private Limited	India	100%	06-08-2020
23	CPD Pharma Private Limited	India	100%	14-09-2020
24	Calcutta Medisolutions Private Limited	India	100%	01-01-2021
25	Curever Pharma Private Limited	India	100%	19-01-2021
26	Western Healthcare Solutions Private Limited	India	100%	01-04-2021
27	City Pharma Distributor Private Limited	India	100%	14-04-2021
28	Atreja Healthcare Solutions Private Limited	India	100%	14-04-2021
29	Zennx Software Solutions Private Limited	India	100%	09-11-2021



## Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

Sr. No.	Name of the Company	Country of Incorporation	% ownership as at 31 March 2023	with effect from
30	New Siva Agencies Private Limited	India	100%	02-12-2021
31	New RRPD Private Limited	India	100%	03-12-2021
32	Swami Medisolutions Private Limited	India	100%	21-12-2021
33	Sri Parshva Pharma Distributors Private Limited	India	100%	01-02-2022
34	Sri Rama Pharmaceutical Distributors Private Limited	India	100%	01-03-2022
35	Saurashtra Medisolutions Private Limited	India	100%	01-05-2022
36	SVS Lifesciences Private Limited	India	100%	24-06-2022
37	S.S. Pharma Traders Private Limited	India	100%	18-08-2022

### C. Current and non-current classification

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

#### Assets

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

- it is expected to be realised in, or intended for sale or consumption in, the group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the balance sheet date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

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

#### Liabilities

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

- it expects to settle the liability in its normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the balance sheet date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

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

### D. Basis of Measurement

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

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

### E. Use of Estimates



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

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

#### 2.2 Property, Plant and Equipment (PPE) and Capital Work in Progress (CWIP)

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

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

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

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

PPE not ready for intended use on the date of balance sheet are disclosed as "capital work-in-progress".

#### Depreciation on plant, property and equipment

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

Particulars	Useful Life as adopted (in years)
Leasehold Improvement*	Lease Period
Computer and peripherals	3-6
Furniture and fixtures	10
Office equipment**	3-5
Vehicle	8
Plant and Machineries	15
Electrical Installations and Equipment	10

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

\*\* For the said class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from the same classes of assets.



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

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

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### 2.5 Revenue recognition

##### Revenue from Sale of Traded Goods

Revenue is recognized upon transfer of control of promised goods to customers. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, incentives, price concessions, amounts collected on behalf of third parties, or other similar items, if any, as specified in the contract with the customer. Revenue is recorded provided the recovery of consideration is probable and determinable.

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

##### Marketing Support

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

#### 2.6 Taxes

##### a) Current Income Tax:

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

##### b) Deferred Tax:

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

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

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

#### 2.7 Intangible asset under development

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

#### 2.8 Leases

##### The Group as a lessee

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

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the group's incremental borrowings rate. It remeasured when there is change in index or rate, if there is a change in group's estimate of amount expected to be payable under a residual value guarantee, or if the group changes its assessment of whether it will exercises a purchase, extension or termination option. When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of right of -use asset, or is recorded in profit & loss if carrying amount of right of -use asset has been reduced to zero.

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

#### 2.9 Inventories

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

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

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

#### 2.10 Impairment of non-financial assets

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

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

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

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash-Generating Unit" - CGU).

Goodwill is tested for impairment annually, or more frequently, when there is an indication that the Goodwill may be impaired. For the purpose of impairment testing, the carrying amount of the cash generating unit, including goodwill, is compared with its fair value. If the carrying amount of the reporting unit exceeds its fair value, a goodwill impairment loss is recognised, up to a maximum amount of the goodwill related to the cash generating unit.

#### 2.11 Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

determining the acquisition date and determining whether control is transferred from one party to another.

Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities assumed.

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

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

#### 2.12 Provisions and Contingent Liabilities

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

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

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

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

#### 2.13 Cash and cash equivalents

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

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



## Entero Healthcare Solutions Private Limited

Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

### 2.14 Financial Instruments

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

#### (A) Financial assets

##### i. Initial recognition and measurement

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

##### ii. Subsequent measurement

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

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

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

#### Amortized cost:

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

#### Fair value through other comprehensive income (FVOCI):

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

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

#### Fair value through profit or loss (FVTPL):

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

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



**Entero Healthcare Solutions Private Limited**

**Notes forming part of the consolidated financial statements for the year ended 31 March 2023**

(₹ in Million, unless otherwise stated)

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in OCI subsequent changes in the fair value in other comprehensive income. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

iii. Impairment of financial asset

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. De-recognition of financial asset

A financial asset is derecognized only when

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

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

**(B) Financial liabilities**

i. Initial recognition and measurement

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

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

ii. Susequent measurement

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

Financial liabilities at fair value through profit or loss



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

#### iii. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

#### **(C) Offsetting financial instruments**

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

## 2.15 Employee Benefits

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

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

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

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

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

#### (ii) Defined Benefit Plans

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

**Compensated Absences:** Accumulated compensated absences are unused leaves which can be encashed only on discontinuation of service by employee. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

#### 2.16 Foreign Currency Transactions

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

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

##### (b) Transactions and balances

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

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

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

#### 2.17 Earnings Per Share

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

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

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

#### 2.18 Other income

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the effective interest rate.

Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

#### 2.19 Exceptional Items



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

#### 2.20 Commitments

Commitments are future liability for contractual expenditure. Commitment are classified and disclosed as follows:

- a. Estimated amounts of contracts remaining to be executed on capital account and not provided for; and
- b. Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

#### 2.21 Statements of cash flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flow from operating activities is reported using indirect method adjusting the profit before tax excluding exceptional items for the effects of:

- i. changes during the period in operating receivables and payables, transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- iii. all other items for which the cash effects are investing or financing cash flows.

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

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

#### 3.1 Estimates and assumptions

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

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

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

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

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



## Entero Healthcare Solutions Private Limited

### Notes forming part of the consolidated financial statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

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

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

#### iii) Intangible asset under development

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

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

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

#### v) Sales Return

The Group accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Group's estimate of expected sales returns. Accordingly, the estimate of sales returns is determined primarily by the Group's historical experience of sales returns.

At the time of recognising the refund liability, the Group also recognises an asset, (i.e., the right to the returned goods) which is included in Other Current assets for the products expected to be returned. The Group initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### 4. Recent Accounting Pronouncements

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

##### Ind AS 1 – Presentation of Financial Statements

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



**Entero Healthcare Solutions Private Limited**

**Notes forming part of the consolidated financial statements for the year ended 31 March 2023**

(₹ in Million, unless otherwise stated)

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

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

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

The Group does not expect these amendment to have any significant impact in its financial statements.



Entero Healthcare Solutions Private Limited  
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
(₹ in million, unless otherwise stated)

5 Property, plant and equipment  
Year ended 31 March 2023

Particulars	Gross block			Accumulated Depreciation			Net block			
	As at 1 April 2022	Additions	Acquired through Business Combination	Deductions	As at 31 March 2023	As at 1 April 2022	For the year	Deductions	As at 31 March 2023	As at 31 March 2023
<b>Leased assets</b>										
Right to Use Asset (Refer Note 41)	922.09	102.21	-	(59.25)	965.05	305.49	146.31	(23.60)	428.20	536.85
<b>Owned assets</b>										
Plant and machineries	97.96	3.08	0.79	(1.22)	100.61	11.65	12.11	(0.23)	23.53	77.08
Electrical Installations	94.70	4.72	4.76	(0.48)	103.70	21.09	8.33	(0.15)	29.27	74.43
Furniture and fixtures	165.36	16.53	1.68	(1.58)	181.99	37.80	14.41	(0.50)	51.71	130.28
Office equipment	51.74	13.00	1.25	(0.34)	65.65	24.14	12.66	(0.21)	36.59	29.06
Computer and peripherals	56.96	10.67	0.42	(0.25)	67.80	30.30	17.23	(0.18)	47.35	20.45
Vehicles	23.71	6.33	0.34	(0.45)	29.93	6.71	4.67	(0.14)	11.24	18.69
Leasehold improvements	145.61	4.02	-	(0.06)	149.57	47.71	20.11	(0.02)	67.80	81.77
<b>Total</b>	<b>1,558.13</b>	<b>160.56</b>	<b>9.24</b>	<b>(63.63)</b>	<b>1,664.30</b>	<b>484.89</b>	<b>235.83</b>	<b>(25.03)</b>	<b>695.69</b>	<b>968.61</b>

Year ended 31 March 2022

Particulars	Gross block			Accumulated Depreciation			Net block			
	As at 1 April 2021	Additions	Acquired through Business Combination	Deductions	As at 31 March 2022	As at 1 April 2021	For the year	Deductions	As at 31 March 2022	As at 31 March 2022
<b>Leased assets</b>										
Right to Use Asset (Refer Note 41)	745.81	183.67	-	(7.39)	922.09	187.04	120.33	(1.88)	305.49	616.60
<b>Owned assets</b>										
Plant and machineries	58.23	8.81	30.92	-	97.96	6.38	5.27	-	11.65	86.31
Electrical Installations	84.71	9.89	0.11	(0.01)	94.70	12.49	8.60	(0.00)	21.09	73.61
Furniture and fixtures	137.31	26.01	3.21	(1.17)	165.36	23.22	14.89	(0.31)	37.80	127.56
Office equipment	45.15	6.13	0.46	-	51.74	15.10	9.04	-	24.14	27.60
Computer and peripherals	37.72	18.20	1.04	-	56.96	17.26	13.04	-	30.30	26.66
Vehicles	17.81	6.18	1.76	(2.04)	23.71	4.66	2.61	(0.56)	6.71	17.00
Leasehold improvements	135.84	9.77	-	-	145.61	29.16	18.55	-	47.71	97.90
<b>Total</b>	<b>1,262.58</b>	<b>268.66</b>	<b>37.50</b>	<b>(10.61)</b>	<b>1,558.13</b>	<b>295.31</b>	<b>192.33</b>	<b>(2.75)</b>	<b>484.89</b>	<b>1,073.24</b>

6 Goodwill  
Year ended 31 March 2023

Particulars	Gross block			Impairments			Net block	
	As at 1 April 2022	Acquired through Business Combination	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	For the period	As at 31 March 2023	As at 31 March 2023
Goodwill	1,502.44	174.38	(6.50)	1,670.32	-	-	-	1,670.32
<b>Total</b>	<b>1,502.44</b>	<b>174.38</b>	<b>(6.50)</b>	<b>1,670.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,670.32</b>
<b>Goodwill</b>								
Particulars	As at 1 April 2021	Acquired through Business Combination	Deductions/ Adjustments <td>As at 31 March 2022 <td>As at 1 April 2021</td> <td>For the period</td> <td>As at 31 March 2022 <td>As at 31 March 2022</td> </td></td>	As at 31 March 2022 <td>As at 1 April 2021</td> <td>For the period</td> <td>As at 31 March 2022 <td>As at 31 March 2022</td> </td>	As at 1 April 2021	For the period	As at 31 March 2022 <td>As at 31 March 2022</td>	As at 31 March 2022
Goodwill	894.90	607.54	-	1,502.44	-	-	-	1,502.44
<b>Total</b>	<b>894.90</b>	<b>607.54</b>	<b>-</b>	<b>1,502.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,502.44</b>



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in million, unless otherwise stated)

7 Other intangible assets  
 Year ended 31 March 2023

Particulars	Gross block				Accumulated Amortisation			Net block		
	As at 1 April 2022	Additions	Acquired through Business Combination	As at 31 March 2023	Deductions	As at 1 April 2022	For the period	Deductions	As at 31 March 2023	As at 31 March 2023
Computer Software	51.64	0.91	-	52.55	-	7.64	6.54	-	14.18	38.37
Total	51.64	0.91	-	52.55	-	7.64	6.54	-	14.18	38.37

Other intangible assets  
 Year ended 31 March 2022

Particulars	Gross block				Accumulated Amortisation			Net block		
	As at 1 April 2021	Additions	Acquired through Business Combination	As at 31 March 2022	Deductions	As at 1 April 2021	For the period	Deductions	As at 31 March 2022	As at 31 March 2022
Computer Software	25.98	25.66	-	51.64	-	2.43	5.21	-	7.64	44.00
Total	25.98	25.66	-	51.64	-	2.43	5.21	-	7.64	44.00



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in million, unless otherwise stated)

8 Intangible assets under development

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	0.54	22.40
Add : Additions during the year	-	3.14
Less: Capitalized during the year	(0.54)	(25.00)
Closing Balance	-	0.54

Intangible assets under development ageing schedule

As at 31 March 2023

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

As at 31 March 2022

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

9 Capital Work in Progress

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	5.86	-
Add : Additions during the year	-	5.86
Less: Capitalized during the year	(5.86)	-
Closing Balance	-	5.86

CWIP ageing schedule as on 31 March 2023

Particulars	Amount in CWIP for a year of March 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

CWIP ageing schedule as on 31 March 2022

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



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in million, unless otherwise stated)

10 Other Financial Assets

Particulars	As at	As at
	31 March 2023	31 March 2022
<u>Unsecured, considered good</u>		
Security Deposits	65.47	67.46
In Deposit accounts with maturity for more than 12 months	14.00	-
<b>Total</b>	<b>79.47</b>	<b>67.46</b>

11 Deferred tax balances

Deferred tax balances are presented in the balance sheet as follows:

Particulars	As at	As at
	31 March 2023	31 March 2022
Deferred tax assets (Net)	20.08	6.77
Deferred tax liabilities (Net)	(6.72)	(17.43)
<b>Net Deferred tax (asset)/ liabilities (net)</b>	<b>13.36</b>	<b>(10.66)</b>

Deferred tax assets/(liabilities) arise from the following:

**Deferred tax assets (Net)**

Deferred tax assets

Expenses provided but allowable in Income Tax on payment basis	0.22	0.07
On Ind AS 116 Adjustment	5.38	2.13
Gratuity & Leave Encashment	3.67	2.24
Expected Credit Loss on Loans and advances	6.31	1.75
Unabsorbed depreciation	1.58	0.20
Unabsorbed loss	10.95	0.42
Timing difference between tax depreciation and depreciation charged in the books	0.06	-
	<b>28.17</b>	<b>6.81</b>

Deferred tax liabilities

Timing difference between tax depreciation and depreciation charged in the books

	(8.09)	(0.04)
	<b>(8.09)</b>	<b>(0.04)</b>

	<b>20.08</b>	<b>6.77</b>
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**Deferred tax liabilities (Net)**

Deferred tax assets

Expenses provided but allowable in Income Tax on payment basis	0.19	(0.04)
On Ind AS 116 Adjustment	4.99	6.84
Gratuity & Leave Encashment	5.37	5.59
Expected Credit Loss on Loans and advances	6.02	3.82
Unabsorbed depreciation	(0.01)	(1.07)
Unabsorbed loss	(0.34)	(2.69)
Timing difference between tax depreciation and depreciation charged in the books	0.03	-
	<b>16.25</b>	<b>12.45</b>

Deferred tax liabilities

Timing difference between tax depreciation and depreciation charged in the books

	(22.97)	(29.88)
	<b>(22.97)</b>	<b>(29.88)</b>

	<b>(6.72)</b>	<b>(17.43)</b>
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**Movement in Deferred taxes for the period ended 31 March 2023:**

**Movement in Deferred tax assets (net):**

Particulars	As at 31 March 2022	Recognised in Profit and Loss	Recognised in other comprehensive income	As at 31 March 2023
<u>Deferred tax assets</u>				
Expenses provided but allowable in Income Tax on payment basis	0.07	0.15	-	0.22
On Ind AS 116 Adjustment	2.13	3.25	-	5.38
Gratuity & Leave Encashment	2.24	2.91	(1.48)	3.67
Expected Credit Loss on Loans and advances	1.75	4.56	-	6.31
Unabsorbed depreciation	0.20	1.38	-	1.58
Unabsorbed loss	0.42	10.53	-	10.95
Timing difference between tax depreciation and depreciation charged in the books	-	0.06	-	0.06
	<b>6.81</b>	<b>22.84</b>	<b>(1.48)</b>	<b>28.17</b>
<u>Deferred tax liabilities</u>				
Timing difference between tax depreciation and depreciation charged in the books	(0.04)	(8.05)	-	(8.09)
	<b>(0.04)</b>	<b>(8.05)</b>	<b>-</b>	<b>(8.09)</b>
	<b>6.77</b>	<b>14.79</b>	<b>(1.48)</b>	<b>20.08</b>



**Movement in Deferred tax liabilities (net):**

Particulars	As at 31 March 2022	Recognised in Profit and Loss	Recognised in other comprehensive income	As at 31 March 2023
<b>Deferred tax assets</b>				
Expenses provided but allowable in Income Tax on payment basis	(0.04)	0.23	-	0.19
On Ind AS 116 Adjustment	6.84	(1.85)	-	4.99
Gratuity & Leave Encashment	5.59	(0.22)	-	5.37
Expected Credit Loss on Loans and advances	3.82	2.20	-	6.02
Unabsorbed depreciation	(1.07)	1.06	-	(0.01)
Unabsorbed loss	(2.69)	2.35	-	(0.34)
Timing difference between tax depreciation and depreciation charged in the books	-	0.03	-	0.03
	<b>12.45</b>	<b>3.80</b>	<b>-</b>	<b>16.25</b>
<b>Deferred tax liabilities</b>				
Timing difference between tax depreciation and depreciation charged in the books	(29.88)	6.91	-	(22.97)
	<b>(29.88)</b>	<b>6.91</b>	<b>-</b>	<b>(22.97)</b>
<b>Net deferred tax liabilities</b>	<b>(17.43)</b>	<b>10.71</b>	<b>-</b>	<b>(6.72)</b>

**Movement in Deferred taxes for the period ended 31 March 2022:**

**Movement in Deferred tax assets (net):**

Particulars	As at 31 March 2021	Recognised in Profit and Loss	Recognised in other comprehensive income	As at 31 March 2022
<b>Deferred tax assets</b>				
Expenses provided but allowable in Income Tax on payment basis	0.07	-	-	0.07
On Ind AS 116 Adjustment	0.93	1.20	-	2.13
Gratuity & Leave Encashment	1.41	0.90	(0.07)	2.24
Expected Credit Loss on Loans and advances	0.28	1.47	-	1.75
Unabsorbed depreciation	1.23	(1.03)	-	0.20
Unabsorbed loss	-	0.42	-	0.42
	<b>3.92</b>	<b>2.96</b>	<b>(0.07)</b>	<b>6.81</b>
<b>Deferred tax liabilities</b>				
Timing difference between tax depreciation and depreciation charged in the books	(0.63)	0.59	-	(0.04)
	<b>(0.63)</b>	<b>0.59</b>	<b>-</b>	<b>(0.04)</b>
	<b>3.29</b>	<b>3.55</b>	<b>(0.07)</b>	<b>6.77</b>

**Movement in Deferred tax liabilities (net):**

Particulars	As at 31 March 2021	Recognised in Profit and Loss	Recognised in other comprehensive income	As at 31 March 2022
<b>Deferred tax assets</b>				
Expenses provided but allowable in Income Tax on payment basis	0.17	(0.21)	-	(0.04)
On Ind AS 116 Adjustment	3.65	3.19	-	6.84
Gratuity & Leave Encashment	1.43	4.16	-	5.59
Expected Credit Loss on Loans and advances	0.60	3.22	-	3.82
Unabsorbed depreciation	-	(1.07)	-	(1.07)
Unabsorbed loss	-	(2.69)	-	(2.69)
	<b>5.85</b>	<b>6.60</b>	<b>-</b>	<b>12.45</b>
<b>Deferred tax liabilities</b>				
Timing difference between tax depreciation and depreciation charged in the books	(22.07)	(7.81)	-	(29.88)
	<b>(22.07)</b>	<b>(7.81)</b>	<b>-</b>	<b>(29.88)</b>
<b>Net deferred tax liabilities</b>	<b>(16.22)</b>	<b>(1.21)</b>	<b>-</b>	<b>(17.43)</b>

The Group has unabsorbed business losses and depreciation which according to management will be used to set off taxable profit arising in the next few years from operations of the company. However, the Group has not recognised deferred tax assets of INR 376.91 million (31 March 2022: INR 263.68 million) due to absence of reasonable certainty of the ability to set off carry forward losses and unabsorbed depreciation against taxable profit in the immediate future. The position will be reviewed at each reporting period and will be recognised when the probability improves.



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in Million, unless otherwise stated)

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Advance income tax (Net)	78.72	48.62
<b>Total</b>	<b>78.72</b>	<b>48.62</b>
Provision for tax (Net)	17.82	12.34
<b>Tax (Liabilities)</b>	<b>17.82</b>	<b>12.34</b>

13 Other non-current assets

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

14 Inventories

At lower of cost and net realizable value

Stock in trade*	3,416.28	3,101.64
<b>Total</b>	<b>3,416.28</b>	<b>3,101.64</b>

\*Also, refer note 27 Borrowings

15 Trade receivable

Unsecured

- Considered good	5,148.84	3,745.99
- Receivables which have significant increase in Credit Risk	132.51	82.25

Less: Expected loss allowances

	(132.51)	(82.25)
<b>Total</b>	<b>5,148.84</b>	<b>3,745.99</b>

Trade Receivables Ageing Schedule

As at 31 March 2023

Particulars	Unbilled	Outstanding from the date of transaction					Total
		Less Than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Undisputed</b>							
- Considered good	-	4,734.14	265.50	149.20	-	-	5,148.84
- Receivables which have significant increase in Credit Risk	-	-	-	10.24	63.20	59.07	132.51
	-	<b>4,734.14</b>	<b>265.50</b>	<b>159.44</b>	<b>63.20</b>	<b>59.07</b>	<b>5,281.34</b>
Less: Loss Allowance	-	-	-	(10.24)	(63.20)	(59.07)	(132.51)
<b>Total Trade Receivable</b>	-	<b>4,734.14</b>	<b>265.50</b>	<b>149.20</b>	-	-	<b>5,148.84</b>

As at 31 March 2022

Particulars	Unbilled	Outstanding from the date of transaction					Total
		Less Than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More Than 3 Years	
<b>Undisputed</b>							
- Considered good	-	3,300.87	296.48	142.04	6.06	0.54	3,745.99
- Receivables which have significant increase in Credit Risk	-	0.74	0.03	13.90	54.75	12.83	82.25
	-	<b>3,301.61</b>	<b>296.51</b>	<b>155.94</b>	<b>60.81</b>	<b>13.37</b>	<b>3,828.24</b>
Less: Loss Allowance	-	(0.74)	(0.03)	(13.90)	(54.75)	(12.83)	(82.25)
<b>Total Trade Receivable</b>	-	<b>3,300.87</b>	<b>296.48</b>	<b>142.04</b>	<b>6.06</b>	<b>0.54</b>	<b>3,745.99</b>

16 Cash and cash equivalents

Balances with banks:

On current accounts	217.46	439.21
Fixed deposits with maturity of less than 3 months	5.34	1.49
Cheques/drafts on hand	1.21	0.13
Cash on hand	29.61	24.25
<b>Total</b>	<b>253.62</b>	<b>465.08</b>



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in Million, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
<b>17 Bank balances other than Cash and cash equivalent</b>		
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	814.82	588.90
<b>Total</b>	<b>814.82</b>	<b>588.90</b>
<b>18 Loans</b>		
<b>Unsecured, considered good</b>		
Loans to others	5.92	10.22
<b>Total</b>	<b>5.92</b>	<b>10.22</b>
<b>19 Other financial assets</b>		
Interest accrued on Inter Corporate Deposits (ICD)	0.14	0.10
Interest accrued on Fixed Deposits (FD)	13.92	15.27
<b>Total</b>	<b>14.06</b>	<b>15.37</b>
<b>20 Other current assets</b>		
Advance to suppliers	54.03	80.46
Balance with government authorities	296.44	265.53
Advance to staff	10.06	7.55
Claim receivables	33.88	56.76
Other current assets	106.63	87.43
<b>Total</b>	<b>578.16</b>	<b>581.63</b>



21 Equity Share capital

Particulars	As at	
	31 March 2023	31 March 2022
<b>a. Authorised Share Capital</b>		
45,70,000 ( 31 March 2022: 40,00,000) Equity Shares of INR 10 each	45.70	40.00
<b>Total</b>	<b>45.70</b>	<b>40.00</b>
<b>b. Issued, Subscribed and Paid-up:</b>		
41,11,527 ( 31 March 2022: 38,50,200) Equity Shares of INR 10 each	41.12	38.50
<b>Total</b>	<b>41.12</b>	<b>38.50</b>

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

Particulars	As at		As at	
	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	38,50,200	38.50	1,00,200	1.00
Add: Issued during the year	2,61,327	2.61	37,50,000	37.50
Outstanding at the end of the year	<b>41,11,527</b>	<b>41.12</b>	<b>38,50,200</b>	<b>38.50</b>

d. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at		As at	
	31 March 2023		31 March 2022	
	No. of shares	%	No. of shares	%
Mr. Prabhat Agrawal	27,33,756	66.49%	25,60,000	66.49%
Mr. Prem Sethi	13,77,557	33.50%	12,90,000	33.50%

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

f. Shareholding of Promoters at the end of the year

Name of the Promoter	As at 31 March 2023			As at 31 March 2022		
	No. of Shares	% of Total Shares	% Change During the Period	No. of Shares	% of Total Shares	% Change During the Period
	Mr. Prabhat Agrawal	27,33,756	66.49%	6.79%	25,60,000	66.49%
Mr. Prem Sethi	13,77,557	33.50%	6.79%	12,90,000	33.50%	3,125.00%

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

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

i. Rights Issue allotment

For the year ended 31 March 2023, the Company has issued and allotted 2,61,327 equity shares of face value INR 10/- each to the eligible equity

j. Private Placement allotment

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

22 Instruments entirely equity in nature

Preference share capital

Particulars	As at	
	31 March 2023	31 March 2022
<b>a. Authorised Share Capital</b>		
<b>0.0001% Compulsory Convertible Preference shares (CCPS)</b>		
Series A1 CCPS (March 23 : 56,58,47,000 ; March 22 : 49,54,99,900) of INR 10 each	5,658.47	4,955.00
Series A2 CCPS (March 23 : 19,35,64,100 ; March 22 : 16,94,99,900) of INR 10 each	1,935.64	1,695.00
Series A3 CCPS (March 23 : 39,96,900 ; March 22 : 35,00,000 ) of INR 10 each	39.97	35.00
Series A4 CCPS (March 23 : 3,63,72,000 ; March 22 : 3,18,50,200) of INR 10 each	363.72	318.50
<b>Total</b>	<b>7,997.80</b>	<b>7,003.50</b>
<b>b. Issued, Subscribed and Paid-up:</b>		
Series A1 CCPS (March 23 : 47,19,99,900 ; March 22 : 44,19,99,900) of INR 10 each	4,720.00	4,420.00
Series A2 CCPS (March 23 : 16,11,70,627 ; March 22 : 15,09,26,729 ) of INR 10 each	1,611.71	1,509.27
Series A3 CCPS (March 23 : 30,96,833 ; March 22 : 29,00,000) of INR 10 each	30.97	29.00
Series A4 CCPS (March 23 : 2,73,46,590 ; March 22 : 2,31,63,347) of INR 10 each	273.47	231.63
<b>Total</b>	<b>6,636.14</b>	<b>6,189.90</b>



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

Particulars	As at		As at	
	31 March 2023		31 March 2022	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	61,89,89,976	6,189.90	51,71,12,300	5,171.12
Add: Issued during the year	4,46,23,974	446.24	10,18,77,676	1,018.78
<b>Outstanding at the end of the year</b>	<b>66,36,13,950</b>	<b>6,636.14</b>	<b>61,89,89,976</b>	<b>6,189.90</b>

d. Rights, preferences and restrictions attached to shares

0.0001% Compulsory Convertible Preference shares (CCPS)

Terms of Conversion :

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

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

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

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

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	%	No of shares	%
Series A1 CCPS are issued to Orbimed Asia III Mauritius Limited	47,19,99,900	100.00%	44,19,99,900	100.00%
Series A2 CCPS are issued to Prasad Uno Family Trust	16,11,70,627	100.00%	15,09,26,729	100.00%
Series A3 CCPS are issued to Mr. Prabhat Agrawal	18,58,100	60.00%	17,40,000	60.00%
Series A3 CCPS are issued to Mr. Prem Sethi	12,38,733	40.00%	11,60,000	40.00%
Series A4 CCPS are issued to Novacare Drug Specialities Private Limited	61,39,837	22.45%	57,49,593	24.82%
Series A4 CCPS are issued to K E Prakash	53,90,244	19.71%	53,90,244	23.27%
Series A4 CCPS are issued to Mr. Petros Diamantides	21,89,571	8.01%	20,51,287	8.86%
Series A4 CCPS are issued to Prashanth Ravindrakumar	19,18,699	7.02%	17,96,748	7.76%
Series A4 CCPS are issued to Manoj K Sanghani	17,58,808	6.43%	16,47,019	7.11%
Series A4 CCPS are issued to Vikram Aditya Ambre	17,58,808	6.43%	16,47,019	7.11%
Series A4 CCPS are issued to Hemant Barros	11,97,832	4.38%	11,97,832	5.17%
Series A4 CCPS are issued to Millennium Medicare Private Limited	12,79,133	4.68%	11,97,832	5.17%

f. Shareholding of Promoters at the end of the year

Name of the Promoter	As at 31 March 2023			As at 31 March 2022		
	No. of Shares	% of Total Shares	% Change During the Period	No. of Shares	% of Total Shares	% Change During the Period
<b>Series A3 CCPS</b>						
Mr. Prabhat Agrawal	18,58,100	60.00%	6.79%	17,40,000	60.00%	-
Mr. Prem Sethi	12,38,733	40.00%	6.79%	11,60,000	40.00%	-
<b>Series A4 CCPS</b>						
Mr. Prabhat Agrawal	4,00,000	1.46%	100.00%	-	-	-
Mr. Prem Sethi	3,00,000	1.10%	100.00%	-	-	-

g. Private Placement allotment

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

h. Right Issue

For the year ended 31 March 2023, the Company has issued and allotted 4,46,23,974 preference shares (Series A1 CCPS: 3,00,00,000, Series A2 CCPS: 1,02,43,898, Series A3 CCPS: 1,96,833 Series A4 CCPS: 41,83,243 ) of face value INR 10/- each to the eligible preference shareholders at an issue price of INR 10/- per preference share aggregating to INR 446.24 million.

For the year ended 31 March 2022, the Company has issued and allotted 10,17,27,676 preference shares (Series A1 CCPS: 7,30,00,000, Series A2 CCPS: 2,49,26,829, Series A4 CCPS: 3,80,0,847 ) of face value INR 10/- each to the eligible preference shareholders at an issue price of INR 10 per preference share aggregating to INR 1,017.28 million.



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in Million, unless otherwise stated)

23 Other equity

Retained Earnings

Particulars

Opening balance	
Add: Net loss for the year	
Add: Re-measurement loss on post employment benefit obligation (net of tax)	
<b>Closing balance</b>	

	As at 31 March 2023	As at 31 March 2022
	(617.99)	(318.46)
	(115.57)	(299.20)
	6.57	(0.33)
	<b>(726.99)</b>	<b>(617.99)</b>

24 Non Controlling Interest

Opening balance	
Add: Net Profit for the year	
Add: Re-measurement loss on post employment benefit obligation (net of tax)	
<b>Closing balance</b>	

	21.75	16.94
	4.53	4.81
	0.06	-
	<b>26.34</b>	<b>21.75</b>

25 Lease Liability

Particulars

At amortised cost (refer Note 41)

Lease Liability

Total

As at 31 March 2023		As at 31 March 2022	
Non Current	Current	Non Current	Current
499.68	134.76	576.86	119.17
<b>499.68</b>	<b>134.76</b>	<b>576.86</b>	<b>119.17</b>

26 Provisions

Particulars

a) Provision for employee benefits (Refer note 49)

Provision for gratuity (unfunded)

Provision for leave encashment (unfunded)

b) Other provisions

Provision for sales return

Total Provisions

As at 31 March 2023		As at 31 March 2022	
Non Current	Current	Non Current	Current
54.03	8.60	44.32	7.00
-	12.56	-	13.87
-	25.31	-	58.72
<b>54.03</b>	<b>46.47</b>	<b>44.32</b>	<b>79.59</b>

27 Borrowings

Particulars

1) Term Loan(Secured)  
(Rate of interest 12% to 13.50%)

2) Working capital loan (Secured):  
Cash credit

3) Other Loans & Advances(Unsecured)  
Loans and advances from Others  
(Rate of interest: 0 to 13%)

Total Borrowings

As at 31 March 2023		As at 31 March 2022	
Non Current	Current	Non Current	Current
310.67	1,022.47	371.26	659.01
-	2,338.91	-	1,810.65
-	63.10	-	9.36
<b>310.67</b>	<b>3,424.48</b>	<b>371.26</b>	<b>2,479.02</b>

Term Loans:

(a) The Term loans included in the current borrowings of the Company are secured against the first charge on all current assets, movable fixed assets and Cash collateral ranging from 0.00% - 20.00% (31 March 2022: 0.00% - 20.00%) in the form of a lien marked fixed deposit placed in a bank. These loans carries interest from 12.00% to 13.50% p.a. and are repayable within one year and hence classified as current as on the reporting date.

(b) The Term loans included in the non-current borrowings of the Company are secured against the first charge on all current assets, movable fixed assets and Cash collateral ranging from 10.00% - 20.00% (31 March 2022: 0.00% - 20.00%) in the form of a lien marked fixed deposit placed in a bank. These loans carries interest from 12.00% to 13.50% p.a. and are repayable beyond one year and hence classified as non-current as on the reporting date.



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in Million, unless otherwise stated)

**Pledges of shares of subsidiaries as security against term loan of below mentioned subsidiaries by Holding company:-**

Name of Lender	Nature of Loan	Amount of loan	Name of subsidiaries/ associates /Joint venture	Relation	Details of Security Pledge
Hero Fincorp Limited	Term Loan	315.00	1. Saurashtra Medisolutions Private Limited	Subsidiary	Shares
			2. SVS Lifesciences Private Limited		
			3. SS Pharma Traders Private Limited		
Patni Financial Advisors Private Limited	Term Loan	350.00	1. Calcutta Medisolutions Private Limited	Subsidiary	Shares
			2. Sree Venkateshwara Medisolutions Private Limited		

**Cash Credit:**

Outstanding cash credit facility of INR 2,338.91 million (Previous year: INR 1,810.65 million : Secured against 25% margin on inventories and trade receivables in addition to fixed deposit to the extent of 20% of the facility amount & pari passu charge on entire current assets of borrower, present and future.

(Facility amount INR 2,817 million; Rate of interest : Bank 1 year MCLR + 25 - 190 basis points; Effective interest rate for the period : 10% to 13.50 % p.a.)

**Details of Guarantees given by holding Company:**

Particulars	Name of Subsidiary	As at	
		31 March 2023	31 March 2022
Corporate Guarantees Given	Novacare Healthcare Solutions Private Limited	500.00	-
	Getwell Medicare Solution Private Limited	250.00	150.00
	Avenues Pharma Distributors Private Limited	350.00	500.00
	Chethana Healthcare Solutions Private Limited	50.00	50.00
	Chirag Medicare Solutions Private Limited	150.00	350.00
	R S M Pharma Private Limited	250.00	50.00
	G.S.Pharmaceutical Distributors Private Limited	120.00	80.00
	Chhabra Healthcare Solutions Private Limited	50.00	250.00
	Sundarlal Pharma Distributors Private Limited	70.00	120.00
	Galaxystar Pharma Distributors Private Limited	150.00	50.00
	SVMED Solutions Private Limited	150.00	70.00
	Vasavi Medicare Solutions Private Limited	150.00	150.00
	Rada Medisolutions Private Limited	100.00	-
	Barros Enterprises Private Limited	67.00	150.00
	Sesha Balajee Medisolutions Pvt Ltd	150.00	100.00
	Jaggi Enterprises Private Limited	120.00	67.00
	Western Healthcare Solutions Private Limited	80.00	80.00
	Chethana Pharma Private Limited	150.00	150.00
	Sri Rama Pharmaceutical Distributors Private Limited	158.64	226.62
	Sri Parshva Pharma Distributors private limited	228.84	303.64
Millennium Medisolutions Private Limited	150.00	150.00	
Curever Pharma Private Limited	-	200.00	



28 Trade payables

Particulars

Total outstanding dues of micro enterprises and small enterprises	44.01	23.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,060.99	1,374.37
<b>Total trade payables</b>	<b>2,105.00</b>	<b>1,397.79</b>

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises	44.01	23.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,060.99	1,374.37
<b>Total trade payables</b>	<b>2,105.00</b>	<b>1,397.79</b>

Disclosure relating to suppliers registered under MSME Act based on the information available with The Group:

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	44.01	23.42
<b>Total</b>	<b>44.01</b>	<b>23.42</b>
(b) The amount of interest paid by the buyer in terms of section 16 of the MSME Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME 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 MSME Act.	-	-

The above information has been provided as available with the Group to the extent such parties could be identified on the basis of the information available with the Company regarding the status of the suppliers under the MSME Act.

As at 31 March 2023	Outstanding for Following years from the date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	44.01	-	-	-	44.01
Disputed Dues - MSME	-	-	-	-	-
Other	2,052.27	7.46	0.36	0.90	2,060.99
Disputed Dues - Others	-	-	-	-	-

As at 31 March 2022	Outstanding for Following years from the date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	23.42	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-
Other	1,359.54	10.70	4.13	-	23.42
Disputed Dues - Others	-	-	-	-	-

29 Other financial liabilities

Particulars

Employee liabilities	104.23	97.14
Current maturities of long term debt	8.00	-
Other Financial Liabilities	190.93	312.00
Interest accrued and due on borrowings	6.32	1.41
<b>Total other financial liabilities</b>	<b>309.48</b>	<b>410.55</b>

	As at 31 March 2023	As at 31 March 2022
Employee liabilities	104.23	97.14
Current maturities of long term debt	8.00	-
Other Financial Liabilities	190.93	312.00
Interest accrued and due on borrowings	6.32	1.41
<b>Total other financial liabilities</b>	<b>309.48</b>	<b>410.55</b>

30 Other current liabilities

Statutory dues payable	97.94	54.39
Other current liabilities	3.02	-
Other Payables	82.27	64.92
Advance from Customers	18.32	0.03
<b>Total other current liabilities</b>	<b>201.55</b>	<b>119.34</b>

	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	97.94	54.39
Other current liabilities	3.02	-
Other Payables	82.27	64.92
Advance from Customers	18.32	0.03
<b>Total other current liabilities</b>	<b>201.55</b>	<b>119.34</b>



Entero Healthcare Solutions Private Limited  
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
(₹ in Million, unless otherwise stated)

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>31 Revenue from operations</b>		
Sale of Traded goods	32,931.43	25,152.67
Other Operative Revenue	70.64	67.98
<b>Total revenue from operations</b>	<b>33,002.07</b>	<b>25,220.65</b>
<b>Revenue based on timing of recognition</b>		
Revenue recognition at a point in time	33,002.07	25,220.65
Revenue recognition over period of time	-	-
<b>Total</b>	<b>33,002.07</b>	<b>25,220.65</b>
<b>32 Other income</b>		
Interest income		
- on fixed deposits designated as amortized cost	33.99	28.52
- on intercorporate deposit	0.09	0.12
- Other interest income	2.11	1.92
- Interest on unwinding of security deposits	4.71	3.83
Net gain or loss on foreign currency transaction and translation	0.15	1.58
Miscellaneous income	14.09	8.86
<b>Total other income</b>	<b>55.14</b>	<b>44.83</b>
<b>33 Purchase of Stock-in-trade</b>		
Purchases of Stock-in-trade	30,512.60	23,424.71
<b>Total</b>	<b>30,512.60</b>	<b>23,424.71</b>
<b>34 Changes in inventories of stock-in-trade</b>		
Inventories at the beginning of the year		
-Stock in trade	3,101.64	2,439.25
	<b>3,101.64</b>	<b>2,439.25</b>
Inventories as at the date of acquisition of subsidiary / business :	<b>120.69</b>	<b>362.05</b>
<b>Less: Inventories at the end of the year</b>		
-Stock in trade	3,416.28	3,101.64
	<b>3,416.28</b>	<b>3,101.64</b>
<b>Net increase</b>	<b>(193.95)</b>	<b>(300.34)</b>
<b>35 Employee benefits expense</b>		
Salaries, wages, bonus and other allowances	1160.00	1,043.41
Contribution to Provident Fund and other funds	63.85	51.53
Gratuity expenses	21.13	17.35
Leave Obligation (refer note 49)	3.80	7.42
Staff welfare expenses	32.62	28.35
<b>Total employee benefits expense</b>	<b>1,281.40</b>	<b>1,148.06</b>
<b>36 Finance costs</b>		
Interest Expenses		
On bank loan	376.98	197.05
On Loan from Others	1.20	0.96
On delay in payment of taxes	0.45	1.30
On Lease Liabilities	65.37	61.64
Processing Charges	22.88	9.95
Bank charges	22.84	18.77
Others	-	0.11
<b>Total finance costs</b>	<b>489.72</b>	<b>289.78</b>



Entero Healthcare Solutions Private Limited  
Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
(₹ in Million, unless otherwise stated)

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>37 Depreciation and amortization expense</b>		
Depreciation on Property, Plant and Equipment (Refer note 5)	89.52	72.00
Depreciation on ROU (Refer note 5)	146.31	120.33
Amortization on Intangibles Assets (Refer note 7)	6.54	5.21
<b>Total depreciation and amortization expense</b>	<b>242.37</b>	<b>197.54</b>
<b>38 Other expenses</b>		
Rent	16.65	14.73
Rates and taxes	2.08	3.21
Legal and professional charges	70.81	102.48
Travelling expenses	62.89	54.98
Power and fuel	42.51	40.69
Repairs and maintenance	29.09	19.01
Distribution Cost	206.97	177.64
Outsource Servicing Expenses	12.59	12.18
Printing and stationery	30.83	24.15
Commission & Brokerage Expenses	23.90	11.49
Communication expenses	15.27	13.84
Business promotion expenses	65.88	70.98
Provision for impairment loss	53.79	62.50
IT Expenses	11.10	10.36
Subscription Expenses	4.14	2.36
Office Expenses	11.92	2.13
Auditor's remuneration (Refer note below)	9.93	7.71
Security expenses	0.81	0.78
Housekeeping Expenses	4.18	2.45
Sign on Amount	18.00	16.33
Office Aircon Charges	0.96	0.61
Insurance	12.12	13.39
Miscellaneous expenses	55.53	39.84
<b>Total other expenses</b>	<b>761.95</b>	<b>703.84</b>
*Note : The following is the break-up of Auditors remuneration including auditors of subsidiaries (exclusive of taxes)		
<b>As auditor:</b>		
Statutory audit	8.26	6.61
<b>In other capacity:</b>		
Tax audit	0.97	0.96
Other matters	0.70	0.14
<b>Total</b>	<b>9.93</b>	<b>7.71</b>
<b>39 Income Tax</b>		
<b>Current tax</b>		
Current tax on profits for the year	99.65	98.43
Adjustments for current tax of prior years	-	0.21
<b>Total Current tax</b>	<b>99.65</b>	<b>98.64</b>
<b>Deferred tax</b>		
Deferred tax income	(25.49)	(2.36)
<b>Total tax expense</b>	<b>74.16</b>	<b>96.28</b>
<b>40 Earnings per share</b>		
Loss attributable to the equity holders of the Company (A) (INR)	(115.57)	(299.20)
Weighted Average number of shares issued for Basic EPS (B)	65,07,30,172	56,91,82,010
Adjustment for calculation of Diluted EPS ( C )	-	-
Weighted Average number of shares issued for Diluted EPS (D= B+C)	65,07,30,172	56,91,82,010
<b>Basic EPS in INR</b>	<b>(0.18)</b>	<b>(0.53)</b>
<b>Diluted EPS in INR</b>	<b>(0.18)</b>	<b>(0.53)</b>



41 Disclosure related to Leases  
 Group as Lessee

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

Particulars

Balance at the beginning of the year	
Additions	
Deletion	
Depreciation charge for the year	
<b>Balance at the end of the year</b>	

	As at 31 March 2023	As at 31 March 2022
	616.60	558.77
	102.21	183.67
	(35.65)	(5.51)
	(146.31)	(120.33)
	<b>536.85</b>	<b>616.60</b>

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

Balance at the beginning of the year	
Additions	
Deletion	
Interest on lease liability	
Gain on modification	
Payment made during the year	
<b>Balance at the end of the year</b>	

	696.03	612.22
	96.28	177.51
	(41.49)	(5.87)
	65.37	61.64
	4.42	0.35
	(186.17)	(149.82)
	<b>634.44</b>	<b>696.03</b>

(C) Maturity analysis of lease liabilities

Less than one year	
One to five years	
More than five years	

	186.09	179.07
	553.23	549.75
	55.29	172.92

Total undiscounted lease liabilities at reporting period

794.61 901.74

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

634.44 696.03

(D) Amounts recognised in statement of profit or loss

Particulars

Interest on lease liabilities	
Expenses relating to short-term leases	
Amortisation of Right to Use Assets	

	For the Year ended 31 March 2023	For the Year ended 31 March 2022
	65.37	61.64
	16.65	14.73
	146.31	120.33
	<b>228.33</b>	<b>196.70</b>

(E) Amounts recognised in the statement of cash flows

Total Cash outflow for leases

181.74 149.47

42 Impairment testing of Goodwill

Goodwill is tested for impairment annually on 31 March every year. Company operates in single segment/ Cash Generating Unit(CGU).

The recoverable amount of a CGU is based on higher of fair value less costs to sell and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at measurement date. Value in use is present value of future cash flow expected to be derived from an assets (CGU). The value in use is estimated using discounted cash flows over a period of 5 years and Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using appropriate discount rate. This fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used.

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

Particulars

Discount rate	
Terminal value growth rate	
Revenue growth rate	

	As at 31 March 2023	As at 31 March 2022
	9.9% - 23.2%	9.8% - 12%
	7%	7%
	20%	15%

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

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. Company has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of CGU to exceed its value in use.



43 Fair value measurements

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Financial assets and liabilities as at 31 March 2023

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Other Financial Assets	-	-	79.47	79.47	-	-	79.47	79.47
<b>Current financial assets</b>								
Trade receivables	-	-	5,148.84	5,148.84	-	-	5,148.84	5,148.84
Cash and cash equivalents	-	-	253.62	253.62	-	-	253.62	253.62
Bank balances other than cash and cash equivalent	-	-	814.82	814.82	-	-	814.82	814.82
Loans	-	-	5.92	5.92	-	-	5.92	5.92
Other financial assets	-	-	14.06	14.06	-	-	14.06	14.06
<b>Total</b>	-	-	<b>6,316.73</b>	<b>6,316.73</b>	-	-	<b>6,316.73</b>	<b>6,316.73</b>
<b>Non-current financial liabilities</b>								
Borrowings	-	-	310.67	310.67	-	-	310.67	310.67
Lease Liabilities	-	-	499.68	499.68	-	-	499.68	499.68
<b>Current financial liabilities</b>								
Lease Liabilities	-	-	134.76	134.76	-	-	134.76	134.76
Trade payables	-	-	2,105.00	2,105.00	-	-	2,105.00	2,105.00
Borrowings	-	-	3,424.48	3,424.48	-	-	3,424.48	3,424.48
Other financial liabilities	-	-	309.48	309.48	-	-	309.48	309.48
<b>Total</b>	-	-	<b>6,784.07</b>	<b>6,784.07</b>	-	-	<b>6,784.07</b>	<b>6,784.07</b>

Financial assets and liabilities as at 31 March 2022

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Other Financial Assets	-	-	67.46	67.46	-	-	67.46	67.46
<b>Current financial assets</b>								
Trade receivables	-	-	3,745.99	3,745.99	-	-	3,745.99	3,745.99
Cash and cash equivalents	-	-	465.08	465.08	-	-	465.08	465.08
Bank balances other than cash and cash equivalent	-	-	588.90	588.90	-	-	588.90	588.90
Loans	-	-	10.22	10.22	-	-	10.22	10.22
Other financial assets	-	-	15.37	15.37	-	-	15.37	15.37
<b>Total</b>	-	-	<b>4,893.02</b>	<b>4,893.02</b>	-	-	<b>4,893.02</b>	<b>4,893.02</b>
<b>Non-current financial liabilities</b>								
Borrowings	-	-	371.26	371.26	-	-	371.26	371.26
Lease Liabilities	-	-	576.86	576.86	-	-	576.86	576.86
<b>Current financial liabilities</b>								
Lease Liabilities	-	-	119.17	119.17	-	-	119.17	119.17
Trade payables	-	-	1,397.79	1,397.79	-	-	1,397.79	1,397.79
Borrowings	-	-	2,479.02	2,479.02	-	-	2,479.02	2,479.02
Other financial liabilities	-	-	410.55	410.55	-	-	410.55	410.55
<b>Total</b>	-	-	<b>5,354.65</b>	<b>5,354.65</b>	-	-	<b>5,354.65</b>	<b>5,354.65</b>

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

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

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

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



44 Business Combination

During the year ended 31 March 2023, the group has acquired following businesses:

I Saurashtra Medisolutions Private Limited

Acquisition of Saurashtra Agency

- a On 01 May 2022, the Company completed the acquisition of the Saurashtra Agency a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 87.41 million including deferred consideration of INR 28.35 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 90 days of closing date. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategy to enter the Gujarat market.

b Purchase consideration transferred:

Particulars

Lump sum consideration (including contingent consideration)

Amount
87.41

c Assets acquired and liabilities assumed:

Particulars

Property, Plant and Equipment

Inventories

Trade Receivables

Other Current Assets

Other Current Liabilities

Trade Payable

Total identifiable net assets

Amount
7.25
34.24
18.74
2.21
(10.87)
(15.53)
36.04

d Amount recognized as Goodwill:

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
87.41
(36.04)
51.37

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 18.74 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

II SVS Lifesciences Private Limited

Acquisition of S.V.S Pharmaceutical Distributors

- a On 24 June 2022, the Company completed the acquisition of the S.V.S Pharmaceutical Distributors a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 79 million including deferred consideration of INR 17.50 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 90 days of closing date. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategy to enter the Chhatisgarh market.

b Purchase consideration transferred:

Particulars

Lump sum consideration

Amount
79.00

c Assets acquired and liabilities assumed:

Particulars

Property, Plant and Equipment

Inventories

Trade Receivables

Other Current Liabilities

Trade Payable

Total identifiable net assets

Amount
0.63
28.68
30.79
(8.88)
(6.10)
45.12

d Amount recognized as Goodwill:

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
79.00
(45.12)
33.88

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 30.79 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



III S.S. Pharma Traders Private Limited

Acquisition of S.S. Traders

On 18 August 2022, the Company completed the acquisition of the S.S. Traders a sole proprietorship firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 79.33 million including deferred consideration of INR 33.60 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBIDTA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategy to strengthen the Uttar Pradesh market.

b Purchase consideration transferred:

Particulars

Lump sum consideration (including contingent consideration)

Amount
79.33

c Assets acquired and liabilities assumed:

Particulars

Property, Plant and Equipment

Inventories

Trade Receivables

Other Current Liabilities

Trade Payable

Total identifiable net assets

Amount
1.36
57.77
69.92
(29.13)
(109.72)
(9.80)

d Amount recognized as Goodwill:

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
79.33
(9.80)
89.13

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 69.92 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

During the year ended 31 March 2022, the group has acquired following businesses:

I City Pharma Distributors Private Limited

Acquisition of City Pharma Distributors

a On 14th April 2021, the Company completed the acquisition of the City Pharma Distributors a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 18.56 million including deferred consideration of INR 7.2 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBIDTA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic to strengthen the position in Bangalore market.

b Purchase consideration transferred:

Particulars

Lump sum consideration (including contingent consideration)

Amount
18.56

c Assets acquired and liabilities assumed:

Particulars

Property, Plant and Equipment

Inventories

Trade Receivables

Trade Payable

Total identifiable net assets

Amount
0.31
8.95
5.58
(5.28)
9.56

d Amount recognized as Goodwill:

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
18.56
(9.56)
9.00

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 5.58 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



**II Western Healthcare Solutions Private Limited**  
**Acquisition of Western Agencies**

a On 01 April 2021, the Company completed the acquisition of the Western Agencies a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 157.5 million including deferred consideration of INR 72.5 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 120 days of closing date and milestone payment payable on achieving Sales, EBIDTA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic to strengthen the position in Kerala market.

**b Purchase consideration transferred:**

**Particulars**

Lump sum consideration (including contingent consideration)

Amount
157.50

**c Assets acquired and liabilities assumed:**

**Particulars**

Property, Plant and Equipment

Inventories

Trade Receivables

Other Current Assets

Gratuity

Trade Payable

Total identifiable net assets

Amount
1.98
69.78
49.76
0.65
(1.62)
(42.16)
78.39

**d Amount recognized as Goodwill:**

**Particulars**

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
157.50
(78.39)
79.11

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 50.41 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

**III Atreja Healthcare Solutions Private Limited**  
**Acquisition of Atreja Medical Store**

a On 14 April 2021, the Company completed the acquisition of Atreja Medical Store a proprietorship firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 20.46 million including deferred consideration of INR 2.5 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 150 days of closing date and milestone payment payable on achieving EBIDTA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic intent to enter in Karnal, haryana market.

**b Purchase consideration transferred:**

**Particulars**

Lump sum consideration (including contingent consideration)

Amount
20.46

**c Assets acquired and liabilities assumed:**

**Particulars**

Inventories

Trade receivables

Trade payables

Total identifiable net assets

Amount
7.93
7.13
(4.60)
10.46

**d Amount recognized as Goodwill:**

**Particulars**

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
20.46
(10.46)
10.00

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 7.13 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



**IV New Siva Agencies Private Limited**

**Acquisition of Siva Agencies**

- a On 02 December 2021, the Company completed the acquisition of the Siva Agencies a proprietorship firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 62.64 million including deferred consideration of INR 21.2 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBIDTA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic to strengthen the position in Chennai market.

**b Purchase consideration transferred:**

**Particulars**

Lump sum consideration (including contingent consideration)

Amount
62.64

**c Assets acquired and liabilities assumed:**

**Particulars**

Property, Plant and Equipment

Inventories

Trade Recivables

Other Current Assets

Trade Payable

Other Current Liability

**Total identifiable net assets**

Amount
1.74
12.52
22.21
2.93
(3.52)
(0.43)
35.45

**d Amount recognized as Goodwill:**

**Particulars**

Fair value of consideration transferred

Less: Fair value of the net assets acquired

**Goodwill**

Amount
62.64
(35.45)
27.19

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 25.14 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

**V New RRPD Private Limited**

**Acquisition of New R R Pharmaceuticals Distributers**

- a On 03 December 2021, the Company completed the acquisition of the New R R Pharmaceuticals Distributers a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 44.00 million including deferred consideration of INR 13.9 million payable on transfer of atleast 90% of new supplier code by aquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving Sales, EBIDTA and Net Working Capital targets. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic to strengthen the position in Chennai market.

**b Purchase consideration transferred:**

**Particulars**

Lump sum consideration (including contingent consideration)

Amount
44.00

**c Assets acquired and liabilities assumed:**

**Particulars**

Property, Plant and Equipment

Inventories

Trade Receivables

Other Current Assets

Trade Payable

Other Current Liability

**Total identifiable net assets**

Amount
0.54
17.94
14.04
1.66
(7.83)
(0.15)
26.20

**d Amount recognized as Goodwill:**

**Particulars**

Fair value of consideration transferred

Less: Fair value of the net assets acquired

**Goodwill**

Amount
44.00
(26.20)
17.80

**e Acquired Receivables:**

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 15.70 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



VI Sri Parshva Pharma Distributors Private Limited  
 Acquisition of Sri Parshva Drug House

- a On 01 February 2022, the Company completed the acquisition of the Sri Parshva Drug House a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 551.78 million including deferred consideration of INR 85.00 Million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 90 days of closing date and milestone payment payable on achieving EBIDTA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic intent to stenthen in Karnataka market.

b Purchase consideration transferred:

Particulars

Lump sum consideration (including contingent consideration)

Amount
551.78

c Assets acquired and liabilities assumed:

Particulars

Property, Plant and Equipment

Inventories

Trade receivables

Trade payables

Total identifiable net assets

Amount
32.31
147.05
276.40
(73.07)
382.69

d Amount recognized as Goodwill:

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
551.78
(382.69)
169.09

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 276.40 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.

VII Sri Rama Pharmaceutical Distributors Private Limited  
 Acquisition of Sri Rama Pharmaceutical Distributors

- a On 01 March 2022, the Company completed the acquisition of the Sri Rama Pharmaceutical Distributors a partnership firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 562.94 million including deferred consideration of INR 214.3 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 150 days of closing date and milestone payment payable on achieving EBIDTA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic intent to strengthen in Hyderabad market.

b Purchase consideration transferred:

Particulars

Lump sum consideration (including contingent consideration)

Amount
562.94

c Assets acquired and liabilities assumed:

Particulars

Property, Plant and Equipment

Inventories

Supplier code

Trade receivables

Trade payables

Total identifiable net assets

Amount
0.29
73.09
-
305.45
(98.39)
280.44

d Amount recognized as Goodwill:

Particulars

Fair value of consideration transferred

Less: Fair value of the net assets acquired

Goodwill

Amount
562.94
(280.44)
282.50

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 305.45 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



VIII Swami Medisolutions Private Limited

Acquisition of Swami Medical Hall

- a On 21 December 2021, the Company completed the acquisition of M/s Swami Medical Hall, a proprietorship firm under slump sale. The deal envisaged the acquisition of the business for a total cash consideration of INR 51.35 million including deferred consideration of INR 4 million payable on transfer of atleast 90% of new supplier code by acquiree which shall be transferred within 150 days of closing date and milestone payment payable on achieving EBIDTA targets & Net working capital days target. The transaction is accounted as per acquisition method of business combination under Ind AS 103.

The acquisition is in line with the Company's strategic intent to enter in Amritsar, Punjab market.

b Purchase consideration transferred:

Particulars	Amount
Lump sum consideration (including contingent consideration)	51.35

c Assets acquired and liabilities assumed:

Particulars	Amount
Property, Plant and Equipment	0.29
Inventories	24.21
Trade receivables	24.22
Trade payables	(10.36)
<b>Total identifiable net assets</b>	<b>38.36</b>

d Amount recognized as Goodwill:

Particulars	Amount
Fair value of consideration transferred	51.35
Less: Fair value of the net assets acquired	(38.35)
<b>Goodwill</b>	<b>13.00</b>

e Acquired Receivables:

As on the date of acquisition, gross contractual amount of the acquired Trade and other Receivables was INR 24.22 million against which no provision had been considered since fair value of the acquired receivables were equal to carrying value as on the date of acquisition.



**45 Contingent liabilities & commitments**

Particulars	As at	As at
	31 March 2023	31 March 2022
Estimated Amount of contracts remaining to be executed on capital account		
Bank guarantees	0.12	0.12
Claims not acknowledged as debts:		
i) Income Tax	2.07	-
i) Indirect Tax	0.77	-

**46 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The Managing director of the Company acts as the (CODM). The Company operates only in one business segment i.e. trading of pharmaceutical and surgical products and hence, the Company does not have any separate reportable segments as per Ind AS 108 "Operating Segments".

**47 Capital Management**

The primary objective of the company's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 & 31 March 2022.

The company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less Cash and cash equivalents and Bank Balances other than Cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

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

Particulars	As at	As at
	31 March 2023	31 March 2022
<b>Borrowings</b>		
Long term and Short term borrowings	3,735.15	2,850.28
Less: cash and cash equivalents	(253.62)	(465.08)
Less: Bank balances other than cash and cash equivalents	(814.82)	(588.90)
<b>Adjusted net debt</b>	<b>2,666.71</b>	<b>1,796.30</b>
Total Equity	5,976.61	5,632.16
<b>Adjusted net debt to equity ratio</b>	<b>0.45</b>	<b>0.32</b>



**48 Financial Risk Management**

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

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

- Credit risk
- Liquidity risk and
- Market risk

**(A) Credit Risk**

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

**i) Trade and Other Receivables**

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

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

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening Provision	82.25	20.83
Add: Additional provision made	50.26	61.42
<b>Closing Provision</b>	<b>132.51</b>	<b>82.25</b>

**(B) Liquidity risk**

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

**(i) Contractual 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.

As at 31 March 2023	1 year or less	1-5 years	More than 5 years	Total
Lease Liabilities	186.09	553.23	55.29	794.61
Borrowings	3,424.48	310.67	-	3,735.15
Trade Payables	2,105.00	-	-	2,105.00
Other financial liabilities	309.48	-	-	309.48
<b>Total</b>	<b>6,025.05</b>	<b>863.90</b>	<b>55.29</b>	<b>6,944.24</b>

As at 31 March 2022	1 year or less	1-5 years	More than 5 years	Total
Lease Liabilities	179.07	549.75	172.92	901.74
Borrowings	2,479.02	371.26	-	2,850.28
Trade Payables	1,397.79	-	-	1,397.79
Other financial liabilities	410.55	-	-	410.55
<b>Total</b>	<b>4,466.43</b>	<b>921.01</b>	<b>172.92</b>	<b>5,560.36</b>

**(C) Market Risk**

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



Entero Healthcare Solutions Private Limited

Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

(i) Foreign currency risk

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

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars

Variable rate borrowings  
Fixed rate borrowings

	As at	As at
	31 March 2023	31 March 2022
Variable rate borrowings	3,322.04	2,840.92
Fixed rate borrowings	413.10	9.36

Sensitivity:

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

Particulars

Interest rates – decrease by 100 basis points  
Interest rates – increase by 100 basis points

	As at	As at
	31 March 2023	31 March 2022
Interest rates – decrease by 100 basis points	24.58	21.02
Interest rates – increase by 100 basis points	(24.58)	(21.02)



**49 Employee benefits**

**I. Defined contribution plans**

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

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

The expense recognised during the period towards defined contribution plan -

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Contribution to Provident Fund	49.01	41.28
Employers Contribution to Employee state insurance	14.64	10.05
Employers Contribution to Labour welfare fund	0.23	0.20
<b>Total</b>	<b>63.88</b>	<b>51.53</b>

**II. Defined benefit plans**

**Gratuity**

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

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

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

<b>I Movements in present value of defined benefit obligation</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Present value of defined benefit obligation at the beginning of the year	51.33	34.31
Current service cost	16.47	14.80
Interest cost	3.72	2.47
Acquisition cost	-	1.61
Actuarial (gains) / loss	(8.11)	0.26
Benefits paid	(0.78)	(2.12)
Present value of defined benefit obligation at the end of the year	<b>62.63</b>	<b>51.33</b>
<b>II Net defined benefit liability/ (asset) recognised as at balance sheet date:</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Present value of defined benefit obligation	(62.63)	(51.33)
Fair value of plan assets	-	-
<b>Net defined benefit liability/ (asset)</b>	<b>(62.63)</b>	<b>(51.33)</b>
<b>III Expenses recognised in statement of profit and loss during the year:</b>	<b>For the Year ended 31 March 2023</b>	<b>For the Year ended 31 March 2022</b>
Current service cost	16.47	14.80
Net interest cost / (income) on the net defined benefit liability / (asset)	3.72	2.47
<b>Total expenses</b>	<b>20.19</b>	<b>17.27</b>
<b>IV Included in other comprehensive income</b>		
Actuarial (gains) / losses due to demographic assumption changes in defined benefit obligations	(0.37)	(0.35)
Actuarial (gains) / losses due to financial assumption changes in defined benefit obligations	(2.27)	(0.10)
Actuarial (gains)/ losses due to experience on defined benefit obligations	(5.47)	0.71
<b>Total Remeasurements recognized in OCI</b>	<b>(8.11)</b>	<b>0.26</b>
<b>V Maturity profile of defined benefit obligation</b>	<b>As at 31 March 2023</b>	<b>As at 31 March 2022</b>
Expected cash flows for future years (valued on undiscounted basis):		
1st Following Year	8.86	7.18
2nd Following Year	7.35	6.36
3rd Following Year	8.40	6.06
4th Following Year	8.51	6.96
5th Following Year	8.50	7.17
Sum of Years 6 To 10	28.03	24.62
Sum of Years 11 and above	25.38	20.76



Entero Healthcare Solutions Private Limited

Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023

(₹ in Million, unless otherwise stated)

	As at	As at
	31 March 2023	31 March 2022
<b>VI Actuarial assumptions:</b>		
1 Discount rate	6.32%-7.28%	6.30%-6.80%
2 Expected Rate of increase in compensation levels	6.00%-10.00%	6.00%-10.00%
3 Withdrawal Rate	5.00%-33.00%	5.00%-33.00%
4 Mortality Rate During Employment	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
5 Retirement age	55-58 years	55-58 years
<b>VII Quantitative sensitivity analysis for significant assumptions is as below:</b>		
<b>1 Increase / (decrease) on present value of defined benefit obligation at the end of the year</b>		
(i) +1% Increase in discount rate	(3.06)	(2.64)
(ii) -1% decrease in discount rate	3.36	2.91
(iii) +1% increase in rate of compensation levels	3.40	2.84
(iv) -1% decrease in rate of compensation levels	(3.10)	(2.66)

**2 Sensitivity analysis method**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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

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

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

**Leave Encashment**

The amount recognized as an expense in respect of compensated absences is INR 3.80 million (31 March 2022: INR 7.42 million )



50 Information of related party transactions as required by Ind AS 24 - Related Party Disclosures

A. Names of related parties and nature of relationship:

Description of relationship	Name of the related party
Key Management Personnel and their relative:	Prabhat Agrawal (Managing Director)
	Prem Sethi (Director)
	Sunny Sharma (Director)
	Arun Sadhanandham (Director)
	Vipul Desai (Director)
	Jayant Prakash (Company Secretary) appointed w.e.f. 03 January 2022
CV Ram (Chief Financial Officer) appointed w.e.f. 31 January 2023	

B. Details of related party transactions:

Nature of Transaction	Name of the related party	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Remuneration Paid	Prabhat Agrawal	34.53	31.20
	Prem Sethi	19.10	15.78
	Jayant Prakash	4.13	1.58
	CV Ram	3.60	-

Notes:-

1) For the year ended 31 March 2022, the Group had disclosed the transactions with Getwell Pharmaceuticals as a related party transaction as it was identified as a related party under section 184 of the Companies Act, 2013 in the standalone financial of Getwell Medicare Solutions Private Limited. However, this party has not been included above as this does not get covered under the definition of a related party under Ind AS 24.

2) For the year ended 31 March 2022, the Group had disclosed the balances with Novacare Drug Specialities Private Limited as a related party transaction as it was identified as a related party this party was identified under section 184 of the Companies Act, 2013 in the standalone financial statement of Novacare Healthcare Solutions Private Limited. However, this party has not been included above, as this does not get covered under the definition of a related party under Ind AS 24.

C. Key Management Personnel Compensation:

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Key Management Personnel Compensation:		
Salaries and Allowances	61.36	48.56

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

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



**51 Corporate Social Responsibility**

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

51.01	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	Gross Amount required to be spent as per Section 135 of the Act	2.27	-
	Add: Amount Unspent from previous years	-	-
	Total Gross amount required to be spent during the year	2.27	-

51.02	Amount approved by the Board to be spent during the year	2.27	-
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**51.03 Amount spent during the year on**

(i)	Construction/acquisition of an asset	-	-
(ii)	On purposes other than (i) above	2.27	-

**51.04 Details related to amount spent**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to Karmaputra Charitable Trust	2.27	-
<b>Accrual towards unspent obligations in relation to:</b>		
Ongoing projects	-	-
Other than Ongoing projects	-	-
<b>TOTAL</b>	<b>2.27</b>	<b>-</b>

**51.05 Details of CSR expenditure in respect of other than ongoing projects**

For the year ended 31 March 2023:

Nature of Activity	Balance unspent as at 1 April 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2023
Charity	-	-	2.27	(2.27)	-

For the year ended 31 March 2022:

Nature of Activity	Balance unspent as at 1 April 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2022
NA	-	-	-	-	-

**51.06 Disclosures on Shortfall**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Amount Required to be spent by the Company during the year	2.27	-
Actual Amount Spent by the Company during the year	2.27	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	NA	NA



52. Additional information as required by paragraph 2 of the general instructions for preparations of consolidated financial statements:-  
 As at 31 March 2023

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in Total comprehensive income	
	INR	% of consolidated net assets	INR	% of consolidated profit or loss	INR	% of consolidated OCI	INR	% of consolidated Total comprehensive income
<b>Holding company</b>								
Entero Healthcare Solutions Private Limited	5,837.32	97.67%	(124.55)	112.16%	0.96	14.48%	(123.59)	118.37%
<b>Subsidiaries Company</b>								
Novacare Healthcare Solutions Private Limited	45.35	0.76%	(1.37)	1.23%	(0.30)	(4.53%)	(1.67)	1.60%
G.S.Pharmaceutical Distributors Private Limited	11.40	0.19%	(7.57)	6.82%	0.25	3.77%	(7.32)	7.01%
R S M Pharma Private Limited	92.23	1.54%	38.14	(34.35%)	0.61	9.20%	38.75	(37.11%)
Getwell Medicare Solutions Private Limited	175.69	2.94%	30.22	(27.21%)	0.36	5.43%	30.58	(29.29%)
Sundarlal Pharma Distributors Private Limited	(64.08)	(1.07%)	(17.31)	15.59%	0.31	4.68%	(17.00)	16.28%
Chhabra Healthcare Solutions Private Limited	(27.23)	(0.46%)	(8.39)	7.56%	0.10	1.51%	(8.29)	7.94%
Galaxystar Pharma Distributors Private Limited	44.03	0.74%	28.80	(25.94%)	(0.01)	(0.15%)	28.79	(27.57%)
Avenues Pharma Distributors Private Limited	7.33	0.12%	4.29	(3.86%)	0.99	14.93%	5.28	(5.06%)
Chirag Medicare Solutions Private Limited	170.26	2.85%	51.12	(46.04%)	0.62	9.35%	51.74	(49.55%)
Jaggi Enterprises Private Limited	(9.26)	(0.15%)	(4.67)	4.21%	(0.02)	(0.30%)	(4.69)	4.49%
Chethana Healthcare Solutions Private Limited	14.87	0.25%	5.12	(4.61%)	0.16	2.41%	5.28	(5.06%)
Vasavi Medicare Solutions Private Limited	(4.36)	(0.07%)	(6.04)	5.44%	(0.09)	(1.36%)	(6.13)	5.87%
SVMED Solutions Private Limited	13.47	0.23%	(8.41)	7.57%	0.01	0.15%	(8.40)	8.04%
Chethana Pharma Private Limited	181.67	3.04%	55.53	(50.01%)	0.30	4.53%	55.83	(53.47%)
Millennium Medisolutions Private Limited	9.01	0.15%	(11.05)	9.95%	(0.02)	(0.30%)	(11.07)	10.60%
Rada Medisolutions Private Limited	(11.10)	(0.19%)	(4.22)	3.80%	(0.04)	(0.60%)	(4.26)	4.08%
Sesha Balajee Medisolutions Private Limited	15.00	0.25%	(1.10)	0.99%	0.19	2.87%	(0.91)	0.87%
Barros Enterprises Private Limited	42.76	0.72%	10.21	(9.19%)	0.21	3.17%	10.42	(9.98%)
Chethana Pharma Distributors Private Limited	(11.20)	(0.19%)	(3.37)	3.03%	(0.01)	(0.15%)	(3.38)	3.24%
Sree Venkateshwara Medisolutions Private Limited	(7.23)	(0.12%)	(3.26)	2.94%	0.04	0.60%	(3.22)	3.08%
CPD Pharma Private Limited	(7.68)	(0.13%)	(5.24)	4.72%	(0.01)	(0.15%)	(5.25)	5.03%
Calcutta Medisolutions Private Limited	(5.49)	(0.09%)	(4.09)	3.68%	(0.03)	(0.45%)	(4.12)	3.95%
Curever Pharma Private Limited	(329.29)	(5.51%)	(153.00)	137.78%	0.99	14.93%	(152.01)	145.59%
Rimedio Pharma Private Limited	(0.06)	(0.00%)	(0.08)	0.07%	-	0.00%	(0.08)	0.08%
Quomed Life Sciences Private Limited	(0.04)	(0.00%)	(0.07)	0.06%	-	0.00%	(0.07)	0.07%
Western Healthcare Solutions Private Limited	36.50	0.61%	15.77	(14.20%)	1.11	16.74%	16.88	(16.17%)
City Pharma Distributors Private Limited	(9.51)	(0.16%)	(6.53)	5.88%	(0.02)	(0.30%)	(6.55)	6.27%
Atreja Healthcare Solutions Private Limited	(5.16)	(0.09%)	(4.05)	3.65%	-	0.00%	(4.05)	3.88%
New Siva Agencies Private Limited	(1.21)	(0.02%)	(1.72)	1.55%	0.02	0.30%	(1.70)	1.63%
New RRPD Private Limited	(3.79)	(0.06%)	(4.96)	4.47%	0.01	0.15%	(4.95)	4.74%
Swami Medisolutions Private Limited	(3.43)	(0.06%)	(1.65)	1.49%	(0.01)	(0.15%)	(1.66)	1.59%
Zennx Software Solutions Private Limited	0.04	0.00%	(0.04)	0.04%	-	0.00%	(0.04)	0.04%
Sri Parshva Pharma Distributors Private Limited	9.28	0.16%	7.91	(7.12%)	(0.07)	(1.06%)	7.84	(7.51%)
Sri Rama Pharmaceutical Distributors Private Limited	13.66	0.23%	15.30	(13.78%)	(0.01)	(0.15%)	15.29	(14.64%)
Saurashtra Medisolutions Private Limited	(3.58)	(0.06%)	(3.68)	3.31%	-	0.00%	(3.68)	3.52%
SVS Lifesciences Private Limited	(1.92)	(0.03%)	(2.02)	1.82%	-	0.00%	(2.02)	1.93%
S.S. Pharma Traders Private Limited	11.44	0.19%	11.34	(10.21%)	-	0.00%	11.34	(10.86%)
<b>Sub Total</b>	<b>6,225.69</b>	<b>104.17%</b>	<b>(114.69)</b>	<b>103.28%</b>	<b>6.60</b>	<b>99.56%</b>	<b>(108.09)</b>	<b>103.52%</b>
Inter Company elimination & Consolidation adjustment	(275.42)	(4.61%)	(0.88)	0.79%	(0.03)	(0.44%)	(0.91)	0.87%
Non-controlling interests	26.34	0.44%	4.53	(4.08%)	0.06	0.87%	4.59	(4.39%)
	<b>5,976.61</b>	<b>100.00%</b>	<b>(111.04)</b>	<b>100.00%</b>	<b>6.63</b>	<b>100.00%</b>	<b>(104.41)</b>	<b>100.00%</b>



Entero Healthcare Solutions Private Limited  
 Consolidated Notes forming part of the Financial Statements for the year ended 31 March 2023  
 (₹ in Million, unless otherwise stated)

As at 31 March 2022

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in Total comprehensive income	
	INR	% of consolidated net assets	INR	% of consolidated profit or loss	INR	% of consolidated OCI	INR	% of consolidated Total comprehensive income
<b>Holding company</b>								
<b>Entero Healthcare Solutions Private Limited</b>	5,512.06	97.87%	(408.47)	138.76%	(0.12)	35.30%	(408.59)	138.80%
<b>Subsidiaries Company</b>								
Novacare Healthcare Solutions Private Limited	47.02	0.83%	(1.25)	0.42%	0.37	(113.58%)	(0.87)	0.30%
G.S.Pharmaceutical Distributors Private Limited	18.72	0.33%	(5.89)	2.00%	(0.06)	18.42%	(5.95)	2.02%
R S M Pharma Private Limited	53.48	0.95%	33.01	(11.21%)	0.57	(174.98%)	33.58	(11.40%)
Getwell Medicare Solutions Private Limited	145.10	2.58%	32.04	(10.88%)	0.06	(18.38%)	32.10	(10.89%)
Sundarlal Pharma Distributors Private Limited	(56.98)	(1.01%)	(8.10)	2.75%	(0.04)	12.28%	(8.14)	2.76%
Chhabra Healthcare Solutions Private Limited	(18.94)	(0.34%)	(9.53)	3.24%	(0.07)	20.87%	(9.59)	3.26%
Galaxystar Pharma Distributors Private Limited	5.33	0.09%	23.94	(8.13%)	(0.16)	47.87%	23.78	(8.07%)
Avenues Pharma Distributors Private Limited	2.05	0.04%	3.84	(1.30%)	0.02	(7.62%)	3.86	(1.31%)
Chirag Medicare Solutions Private Limited	118.51	2.10%	54.65	(18.56%)	0.01	(4.57%)	54.66	(18.55%)
Jaggi Enterprises Private Limited	(4.57)	(0.08%)	4.23	(1.44%)	(0.25)	75.82%	3.98	(1.35%)
Chethana Healthcare Solutions Private Limited	9.59	0.17%	3.40	(1.16%)	(0.05)	15.35%	3.35	(1.14%)
Vasavi Medicare Solutions Private Limited	1.78	0.03%	3.37	(1.15%)	0.04	(10.79%)	3.41	(1.16%)
SVMED Solutions Private Limited	21.87	0.39%	13.65	(4.64%)	(0.00)	0.36%	13.65	(4.63%)
Chethana Pharma Private Limited	125.84	2.23%	58.54	(19.89%)	(0.01)	4.59%	58.53	(19.86%)
Millennium Medisolutions Private Limited	20.08	0.36%	8.65	(2.54%)	(0.28)	86.69%	8.37	(2.84%)
Rada Medisolutions Private Limited	(6.85)	(0.12%)	1.72	(0.58%)	(0.02)	6.14%	1.70	(0.58%)
Sesha Balajee Medisolutions Private Limited	15.92	0.28%	13.94	(4.74%)	(0.04)	13.05%	13.90	(4.72%)
Barros Enterprises Private Limited	32.33	0.57%	16.92	(5.75%)	(0.14)	43.90%	16.77	(5.69%)
Chethana Pharma Distributors Private Limited	(7.82)	(0.14%)	(4.56)	1.55%	0.05	(16.83%)	(4.51)	1.53%
Sree Venkateshwara Medisolutions Private Limited	(4.01)	(0.07%)	(1.94)	0.66%	(0.05)	16.29%	(2.00)	0.68%
CPD Pharma Private Limited	(1.50)	(0.03%)	(3.84)	1.30%	0.08	(23.02%)	(3.76)	1.28%
Calcutta Medisolutions Private Limited	(1.38)	(0.02%)	(1.59)	0.54%	(0.02)	4.89%	(1.61)	0.55%
Curever Pharma Private Limited	(177.29)	(3.15%)	(167.13)	56.77%	0.03	(10.16%)	(167.10)	56.70%
Rimedio Pharma Private Limited	0.03	0.00%	(0.04)	0.01%	-	0.00%	(0.04)	0.01%
Quomed Life Sciences Private Limited	0.03	0.00%	(0.04)	0.01%	-	0.00%	(0.04)	0.01%
Western Healthcare Solutions Private Limited	19.62	0.35%	19.72	(6.70%)	(0.25)	78.10%	19.47	(6.61%)
City Pharma Distributors Private Limited	(2.97)	(0.05%)	(3.07)	1.04%	-	0.00%	(3.07)	1.04%
Atreja Healthcare Solutions Private Limited	(1.11)	(0.02%)	(1.21)	0.41%	-	0.00%	(1.21)	0.41%
New Siva Agencies Private Limited	0.50	0.01%	0.40	(0.14%)	-	0.00%	0.40	(0.14%)
New RRPD Private Limited	1.16	0.02%	1.06	(0.36%)	-	0.00%	1.06	(0.36%)
Swami Medisolutions Private Limited	(1.76)	(0.03%)	(1.86)	0.63%	-	0.00%	(1.86)	0.63%
Zennx Software Solutions Private Limited	0.08	0.00%	(0.02)	0.01%	-	0.00%	(0.02)	0.01%
Sri Parshva Pharma Distributors Private Limited	1.46	0.03%	1.36	(0.46%)	-	0.00%	1.36	(0.46%)
Sri Rama Pharmaceutical Distributors Private Limited	(1.63)	(0.03%)	(1.68)	0.57%	0.00	(0.00%)	(1.68)	0.57%
<b>Sub Total</b>	<b>5,865.75</b>	<b>104.15%</b>	<b>(325.78)</b>	<b>111.05%</b>	<b>(0.33)</b>	<b>100.00%</b>	<b>(326.11)</b>	<b>110.80%</b>
Inter Company elimination & Consolidation adjustment	(255.4)	(4.53%)	26.58	(9.03%)	-	0.00%	26.58	(9.03%)
Non-Controlling interests	21.75	0.39%	4.81	(1.63%)	-	0.00%	4.81	(1.63%)
	<b>5,632.16</b>	<b>100.00%</b>	<b>(294.39)</b>	<b>100.00%</b>	<b>(0.33)</b>	<b>100.00%</b>	<b>(294.72)</b>	<b>100.00%</b>



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

Quarter	Name of Bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Difference (in INR million)	Reason for material discrepancies
31 March 2023	HDFC, RBL, Indusind, Axis, IDFC, ICICI Bank & TATA capital Financial Service Ltd.	Inventory	2,562.06	2,495.67	66.39	Reclassification & year end closing adjustments
		Creditors	1,352.80	1,594.71	(241.91)	
		Debtors	3,568.52	3,626.34	(57.81)	

54 Statement of unhedged foreign currency exposure:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount in USD (million)	Amount in INR	Amount in USD (million)	Amount in INR
Advance to vendors	0.03	2.20	0.05	3.58

55 Subsequent Events after the reporting period.

On 28 June 2023, the group has entered into a definitive agreement for acquisition of the entire trading of pharma products business of RS Enterprises (Bangalore) Private Limited. Pursuant to the definitive agreement, the aforesaid business will be transferred to the group as a going concern on a slump sale basis.

56 Ratio Analysis

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	Variance (%)
a) Current Ratio	Current Assets	Current Liabilities	1.64	1.84	-11.01%
(b) Debt-Equity Ratio	Short term and long term borrowings	Total Equity	0.62	0.51	23.49%
(c) Debt Service Coverage Ratio	Earning before Interest and Tax	Short term and long term borrowings	0.12	0.03	276.96%
Explanation	Improved profitability during the year has resulted in improvement in debt service coverage ratio.				
(d) Return on Equity Ratio	Net Profit After Tax	Total Equity	(0.02)	(0.05)	66.59%
Explanation	Improved profitability during the year has resulted in improvement in return on equity ratio.				
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	9.30	8.35	11.46%
(f) Trade Receivables turnover ratio	Net credit sales	Trade receivables	6.41	6.73	-4.80%
(g) Trade payables turnover ratio	Credit purchases	Trade payable	14.50	16.76	-13.50%
(h) Net capital turnover ratio	Sales	Working Capital (Current Assets- Current Liabilities)	8.27	6.48	27.54%
Explanation	Improved sales during the year has resulted in improvement in Net capital turnover ratio.				
(i) Net profit ratio	Net profit after tax	Net Sales	(0.00)	(0.01)	72.92%
Explanation	Improved profitability during the year has resulted in improvement in net profit ratio.				
(j) Return on Capital employed	Net profit after tax	Capital Employed	(0.02)	(0.04)	65.64%
Explanation	Improved profitability during the year has resulted in improvement in return on capital employed ratio.				
(k) Return on investment	Net profit after tax	Average Total Assets	(0.01)	(0.03)	71.48%
Explanation	Improved profitability during the year has resulted in improvement in return on investment ratio.				



**EBITDA of Scaled-Down Ancillary Business**

The Group is gradually scaling down the generic medicine business branded under "Curever", as the products sold under this business do not have sizeable market prospects, due to significant external competition. As the generic medicine business is not expected to contribute significantly to our financial results going forward, Earnings before interest, depreciation and tax ('EBIDTA') of scaled down business branded under 'Curever' is computed as follows:

Particulars	For the Year ended 31 March 2023	For the period from January 19, 2021 to March 31, 2022*
(Loss) Before taxes	(153.00)	(177.42)
Add: Depreciation	2.47	2.13
Add: Finance cost	45.31	15.72
Less: Other income	(0.09)	(0.09)
<b>(EBIDTA)</b>	<b>(105.31)</b>	<b>(159.66)</b>

\*The same is inclusive of Rs.10.12 million of (EBIDTA) for the period January 19, 2021 to March 31, 2021.

- 57 Revenue from operations reported in Note 31 Revenue from Operations, excludes GST. Revenue inclusive of taxes has been determined by grossing up the revenue with the average rate of GST for the year ended 31 March 2023 and 31 March 2022, respectively, as per table below:

Particulars	For the Year ended 31 March 2023	For the Year ended 31 March 2022
Revenue excluding taxes (A)	33,002.07	25,220.65
Averages GST percentage (B)	11.99%	11.85%
<b>Revenue grossed up for GST (C) = (A)*(1+(B))</b>	<b>36,959.02</b>	<b>28,209.30</b>

**58 Other Statutory Information:**

(i) The Group does not has any Benami property, where any proceeding has been initiated or pending against The Group for holding any Benami property.

(ii) The Group does not has any transactions with companies struck off.

(iii) The Group does not has any charges or satisfaction which is yet to be registered with ROC beyond the statutory year.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has 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 Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by The Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are underactive consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the year in which, the Code becomes effective and therelated rules to determine the financial impact are published.

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

(ix) The Group has not been declared wilful defaulter by any bank or financial institution or by any government authorities.



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

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

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



Vaijayanti Mala Belsare  
Partner  
Membership No: 049902  
Place: Mumbai  
Date: 03 AUG 2023



Prabhat Agrawal  
Managing Director  
DIN: 07466382  
Place: Mumbai  
Date: 03 AUG 2023



Prem Sethi  
Director  
DIN: 07077034



CV Ram  
Chief Financial Officer  
M.N.: 206013



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

