

# MOJ & Associates

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Pharma Distributors Private Limited.

### Report on the Audit of the Statement of Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **Hindustan Pharma Distributors Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2025, and the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information (herein after referred as "the Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act, as amended 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 Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss including total 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 Ind AS 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 together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### **Information Other than the financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Board's Report including annexures to Board's Report but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

### **Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 SA's 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 Ind AS 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 Ind AS 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 system 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial results of the company to express an opinion on the financial results.





Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (a) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 the Annexure - A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) The aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 over financial reporting of the Company and the operating effectiveness of such controls refer our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 has no pending litigations and hence no impact on its financial position in its Ind AS financial statements.
  - 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.
    - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 46 to the financial statements, 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, whether, 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;
    - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 46 to the financial statements, 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, that the company shall, whether, 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; and
    - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the year by the Company.



- i. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and audit trail is not disabled and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

for **M O J & Associates**

Chartered Accountants

Firm Registration Number: 015425S



**Avneep Mehta**

Partner

Membership Number: 225441

Date: 12 May 2025

Place: Bengaluru

UDIN: 25225441BMHZDV7615



## **Annexure A to the Independent Auditors' Report**

Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Hindustan Pharma Distributors Private Limited** of even date.

We report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment in the books of the Company.
- (B) The Company has maintained proper records showing full particulars, of the intangible assets in the books of the Company.
- (b) The Property, Plant and Equipment of the company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (b) As disclosed in note 18 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) Based on the information and explanation received and the records of the Company examined by us the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Hence clauses 3 (iii) (a), (b), (c), (d), (e) and (f) of the Order is not applicable.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products/services of the Company.





(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the format and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds through securities during the year hence, the requirement to report on clause of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) Due to non-applicability of section 148(3) of the Act, report on clause 3(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 as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



(xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Act. Therefore, the requirement to report under clause 3(xiv)(a) & (b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year amounting to Rs. 547.09 Lakhs. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 857.65 Lakhs.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to spent any amount to a Fund specified in Schedule VII to the Act since second proviso to sub section 5 of section 135 of the Act is not applicable to the Company.

for **M O J & Associates**

Chartered Accountants

Firm Registration Number: 015425S



**Avneep Mehta**

Partner

Membership Number: 225441

Date: 12 May 2025

Place: Bengaluru

UDIN: 25225441BMHZDV7615





## **Annexure B to the Independent Auditor's Report**

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

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

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") 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, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 unqualified audit opinion on the Company's internal financial controls system over financial reporting.





### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting 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.

for **M O J & Associates**

Chartered Accountants

Firm Registration Number: 015425S

  
**Avneep Mehta**

Partner

Membership Number: 225441

Date: 12 May 2025

Place: Bengaluru

UDIN: 25225441BMHZDV7615



# HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED

Balance sheet as at 31 March 2025

All amounts in INR lakhs, unless otherwise stated

Particulars	Note	As at 31 March 2025	As at 31 March 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16.67	151.26
Right-of-use assets	5	37.77	973.07
Intangible assets	6	134.54	197.04
Goodwill		821.50	821.50
Financial assets			
i. Other assets	7	9.45	32.20
Deferred tax asset (net)	8	-	446.54
Other non current assets	9	-	0.43
<b>Total non-current assets</b>		<b>1,019.93</b>	<b>2,622.04</b>
<b>Current assets</b>			
Inventories	10	963.66	2,341.31
Financial assets			
i. Trade receivables	11	2,876.53	2,085.21
ii. Cash and cash equivalents	12	83.54	2.12
iii. Loans	13	2.79	3.07
Income tax assets (net)	14	14.16	10.80
Other current assets	15	383.60	673.53
<b>Total current assets</b>		<b>4,324.28</b>	<b>5,116.04</b>
<b>Total assets</b>		<b>5,344.21</b>	<b>7,738.08</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	10.00	10.00
Other equity	17	(1,258.56)	(92.82)
<b>Total equity</b>		<b>(1,248.56)</b>	<b>(82.82)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	18	62.22	62.22
ii. Lease liabilities	19	24.45	1,041.59
Provisions	20	15.60	10.94
<b>Total non-current liabilities</b>		<b>102.27</b>	<b>1,114.75</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	18	5,165.13	5,251.21
ii. Lease liabilities	19	15.69	32.10
iii. Trade payables	21		
- Total outstanding dues of micro and small enterprises		29.48	98.86
- Total outstanding dues of creditors other than micro and small enterprises		696.67	973.19
iv. Other financial liabilities	22	561.81	323.42
Provisions	20	0.06	0.04
Other current liabilities	23	21.66	27.33
<b>Total current liabilities</b>		<b>6,490.50</b>	<b>6,706.15</b>
<b>Total equity and liabilities</b>		<b>5,344.21</b>	<b>7,738.08</b>


The accompanying notes form an integral part of these financial statements.

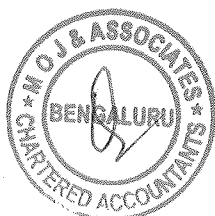
As per our report of even date attached

For M O J & Associates

Chartered Accountants



ICAI Firm's Registration Number : 015425S

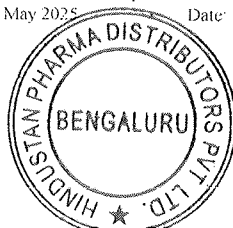
  
Anveep L. Mehta  
Partner  
Membership no: 225441  
Place: BENGALURU  
Date: 12 May 2025



For and on behalf of the Board of Directors  
HINDUSTAN PHARMA DISTRIBUTORS PRIVATE  
LIMITED

CIN : U51909KA2021PTC150604

   
Kasim Kallikkudiyil Latheef      Abdul Salam Ameerali  
Director      Director  
DIN 09366164      DIN 08091822  
Place: ERNAKULAM      Place: ERNAKULAM  
Date: 12 May 2025      Date: 12 May 2025



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED****Statement of profit and loss for the year ended 31 March 2025**

All amounts in INR lakhs, unless otherwise stated

Particulars	Note	For the Year ended 31 March 2025	For the Year ended 31 March 2024
<b>Income</b>			
Revenue from operations	24	13,401.92	16,778.43
Other income	25	145.32	63.31
<b>Total income</b>		<b>13,547.24</b>	<b>16,841.74</b>
<b>Expenses</b>			
Purchases of medicines and consumables	26	11,342.97	16,218.85
Changes in inventories	27	1,377.65	(558.99)
Employee benefits expense	28	316.79	520.05
Finance costs	29	542.11	554.79
Depreciation and amortisation expenses	30	119.79	179.23
Other expenses	31	567.36	978.17
<b>Total expenses</b>		<b>14,266.67</b>	<b>17,892.10</b>
<b>Loss before tax</b>		<b>(719.43)</b>	<b>(1,050.36)</b>
Tax expense			
Current tax	32	-	-
Deferred tax	32	446.60	(309.80)
<b>Total Tax expense</b>		<b>446.60</b>	<b>(309.80)</b>
<b>Loss for the year</b>		<b>(1,166.03)</b>	<b>(740.56)</b>
<b>Other comprehensive income</b>			
Re-measurement gains on defined benefit plans	38	0.23	2.06
Income tax effect on above		0.06	0.14
<b>Total comprehensive loss for the year</b>		<b>(1,165.74)</b>	<b>(738.36)</b>
<b>Basic &amp; Diluted in INR</b>	33	<b>(11.66)</b>	<b>(7.38)</b>

The accompanying notes form an integral part of these financial statements.  
As per our report of even date attached

For **MOJ & Associates**

Chartered Accountants

ICAI Firm's Registration Number : 015425S

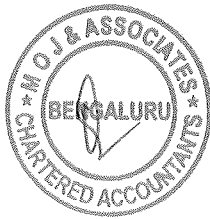

**Avneep L Mehta**

Partner

Membership no: 225441

Place: **BENGALURU**

Date: 12 May 2025



For and on behalf of the Board of Directors:

**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**

CIN : U51909KA2021PTC150604



**Kasim Kanikkudiyil Latheef**

Director

DIN 09366164

Place: **ERNAKULAM**

Date: 12 May 2025


**Abdul Salam Ameerali**

Director

DIN 08091822

Place: **ERNAKULAM**

Date: 12 May 2025



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Statement of cash flows for the Year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
<b>Cash flows from operating activities</b>		
Loss before tax	(719.43)	(1,050.36)
Adjustments for		
Depreciation and amortisation expenses	119.79	179.23
Finance costs	542.11	554.79
Assets Written Off	40.94	-
Gain on termination of lease	(113.45)	-
Interest income under the effective interest method	(29.46)	(1.25)
<b>Operating cash flows before movements in working capital</b>	<b>(159.50)</b>	<b>(317.59)</b>
<b>Movements in Working capital</b>		
- Loans	0.28	0.49
- Trade receivables	(791.32)	1,533.39
- Inventories	1,377.65	(558.99)
- Other financial assets and other assets	22.75	2.70
- Other current assets	290.36	(196.02)
- Trade payables	(345.90)	46.78
- Provisions	4.68	5.59
- Other financial liabilities	7.91	-
- Other liabilities	(5.67)	64.27
<b>Cash used in operating activities</b>	<b>401.24</b>	<b>580.62</b>
Taxes paid, net of refund received	(3.36)	(10.80)
<b>Net cash used in operating activities (A)</b>	<b>397.88</b>	<b>569.82</b>
<b>Cash flows from investing activities</b>		
Interest received	29.46	1.25
Disposal/(Acquisition) of intangible assets	7.73	(2.67)
Acquisition of property, plant and equipment	(11.23)	(20.21)
Sale of property plant and equipment	73.24	-
<b>Net cash used in investing activities (B)</b>	<b>99.20</b>	<b>(21.63)</b>
<b>Cash flows from financing activities</b>		
Payment of lease rentals	(42.11)	(111.48)
Finance cost	(287.67)	(358.43)
Repayment of borrowings	(85.87)	(78.33)
<b>Net cash generated from financing activities (C)</b>	<b>(415.65)</b>	<b>(548.24)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>81.43</b>	<b>(0.05)</b>
Cash and cash equivalents at the beginning of the year	2.10	2.15
<b>Cash and cash equivalents at the end of the year (refer note 12)</b>	<b>83.54</b>	<b>2.10</b>
<b>Cash and cash equivalents at the end of the year as above comprises:</b>		
Cash on hand	2.14	1.48
Balances with banks	-	-
- in current accounts	81.40	0.65
<b>Sub-total</b>	<b>83.54</b>	<b>2.12</b>

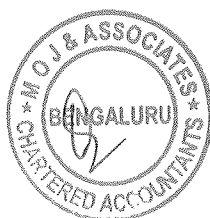
The accompanying notes form an integral part of these financial statements.

As per our report of even date attached  
For **M O J & Associates**  
Chartered Accountants  
ICAI Firm's Registration Number : 015425S

*(Signature)*

**Avneep L. Mehta**  
Partner  
Membership no: 225441

Place: **BENGALURU**  
Date: 12 May 2025



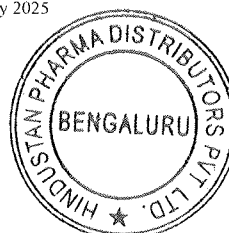
For and on behalf of the Board of Directors:  
**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
CIN : U51909KA2021PTC150604

*(Signature)*  
**Kasim Kanikkudiyil Latheef**  
Director  
DIN 09366164

Place: **ERNAKULAM**  
Date: 12 May 2025

*(Signature)*  
**Abdul Salam Ameerali**  
Director  
DIN 08091822

Place: **ERNAKULAM**  
Date: 12 May 2025



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Statement of Changes in Equity for the Year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**A Equity share capital**


Particulars	Note	No. Equity shares	Amount
As at 01 April 2023		1,00,000	10.00
Changes in equity share capital during the year	16	-	-
As at 31 March 2024		1,00,000	10.00
Changes in equity share capital during the year	16	-	-
As at 31 March 2025		1,00,000	10.00

**B Other equity**

Particulars	Reserves and surplus (refer note 18)		Items of other comprehensive income (refer note 18)	Total other equity attributable to equity holders of the company
	Securities premium	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Balance as at 01 April 2023	1,529.29	(883.75)	-	645.54
Total comprehensive income for the year ended				
Loss for the year	-	(740.56)	-	(740.56)
Other comprehensive income for the year, net of tax	-	-	2.20	2.20
Total comprehensive income / (loss)	-	(740.56)	2.20	(738.36)
Transferred to retained earnings	-	2.20	(2.20)	-
Total contributions by and distributions to owners	-	2.20	(2.20)	-
Balance as at 31 March 2024	1,529.29	(1,622.11)	-	(92.82)
Balance as at 01 April 2024	1,529.29	(1,622.11)	-	(92.82)
Total comprehensive income for the year ended				
Issuance of shares	-	-	-	-
Loss for the year	-	(1,166.03)	-	(1,166.03)
Other comprehensive income for the year, net of tax	-	-	0.29	0.29
Total comprehensive income / (loss)	-	(1,166.03)	0.29	(1,165.74)
Transferred to retained earnings	-	0.29	(0.29)	-
Total contributions by and distributions to owners	-	0.29	(0.29)	-
Balance as at 31 March 2025	1,529.29	(2,787.85)	0.00	(1,258.56)


The accompanying notes form an integral part of these financial statements.

As per our report of even date attached  
For **M O J & Associates**  
Chartered Accountants  
ICAI Firm's Registration Number : 015425S

  
**Avneep L Mehta**  
Partner  
Membership no: 225441  
Place: **BENGALURU**  
Date: 12 May 2025



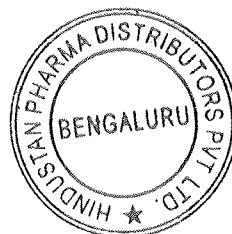
For and on behalf of the Board of Directors:  
**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
CIN : U51909KA2021PTC150604

  
**Kasim Kamkathulla Latheef**  
Director  
DIN 09366164

Place: **ERNAKULAM**  
Date: 12 May 2025

  
**Abdul Salam Ameerali**  
Director  
DIN 08091822

Place: **ERNAKULAM**  
Date: 12 May 2025



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**1. Company overview**

Hindustan Pharma Distributors Private Limited, a Private Limited Company was incorporated on August 10, 2021 under the provisions of Companies Act, 2013 holding CIN: U51909KA2021PTC150604 and having its registered office at No. 76/1, 2nd & 3rd Floor Aruna Complex, J C Road Bengaluru Karnataka-560002. The Company is engaged into the business of distribution of pharmaceutical products.

**2. Material accounting policies**

**2.1 Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant amended rules prescribed under Section 133 of the Companies 'Act', 2013, read with relevant rules issued thereunder.

The Company's Financial Statement for the year ended 31 March 2025 were approved by Board of Directors on May 12, 2025.

The Company's material accounting policies are included in Note 3.

**2.2 Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are presented in Indian Rupees lakhs, unless otherwise stated.

**2.3 Basis of measurement**

These financial statements have been prepared on the historical cost basis except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities (including derivatives instruments);
- ii. Liabilities for equity-settled share-based payment arrangements; and
- iii. Net defined benefit (asset)/ liability.

**2.4 Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgements, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment during the year ended 31 March 2025 is included in the following notes:

- Note 4 and 6 - Measurement of useful life and residual value of property, plant and equipment and intangible assets;
- Note 32 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 37 - Impairment of financial assets;
- Note 38 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 39 - Leases;

**2.5 Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's audit committee.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Financial instruments; and
- Fair value of property, plant and equipment and intangible assets.

**3. Material accounting policies**

**3.1 Property, plant and equipment**

**i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

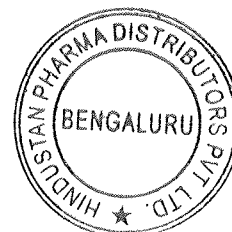
Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are shown under other non-current assets. The cost of property, plant and equipment not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.





**ii. Subsequent expenditure and derecognition**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

**iii. Depreciation**

Depreciation on property, plant and equipment are provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. The estimated useful lives of items of property, plant and equipment for the current and comparative years are as follows:

Class of assets	Useful life (in years)
Leasehold improvements	5 to 15
Furniture and fixtures	10
Computer equipment	3
Office Equipments	5
Vehicles	10

The useful lives have been determined based on technical evaluation done by the management's expert which in certain instances are different from those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Leasehold Improvements and buildings on leasehold land are amortized over shorter of estimated useful lives or lease period

**3.2 Intangible assets**

**Intangible assets – acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and is included in depreciation and amortisation expenses in the statement of profit and loss. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The estimated useful lives for the current years are as follows:

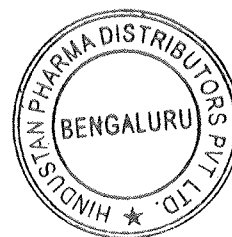
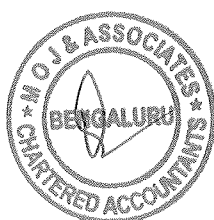
Class of assets	Useful life (in years)
Brand	7
CRM	5.5
Goodwill	Indefinite
Computer Software	5

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

**3.3 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises purchase price, and other cost incurred in bringing the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventory consisting of medicines and Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable values is made on an item-by-item basis.



### 3.4 Impairment

#### i. Impairment of financial assets

The Company recognises loss allowances for expected credit losses ('ECL') on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

#### Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

#### ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of impairment loss, if any.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount i.e., the higher of the fair value less cost to sell and the value-in-use is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 3.5 Employee benefits

#### Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

#### Post-employment benefits

##### Defined contribution plans

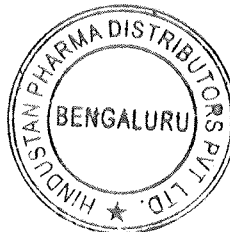
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

##### Defined Benefit plans

Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in other comprehensive income (OCI) in the period in which they occur. Remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to statement of profit and loss in a subsequent period. However, the Company transfers those amounts recognised in other comprehensive income within equity. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.



### 3.6 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets

### 3.7 Revenue

The Company generates revenue from rendering of medical and healthcare services, sale of medicines and other related activities. Ind AS 115, Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

#### *Performance obligations and revenue recognition policies*

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following details provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

#### (a) Sale of medicines

Revenue from sale of medicines is recognised when the control in the goods are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable.

#### (b) Other operating income

The Company's revenue from other operating income comprises primarily of interest income

### 3.8 Leases

#### **Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

#### **i. Company as a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the remeasurement of lease liability due to modification as an adjustment to the right-of-use asset and the statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116, Leases, to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in the statement of profit and loss.

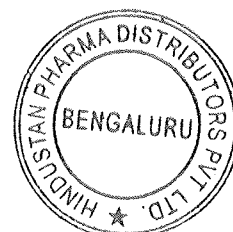
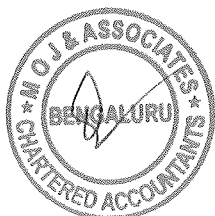
### 3.9 Recognition of interest income or interest expense

Interest on deployment of surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.



### 3.10 Income tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### 3.11 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset until such time as the asset is substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 3.12 Financial instruments

#### i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss - FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

#### ii. Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as either at amortised cost, FVTPL or fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

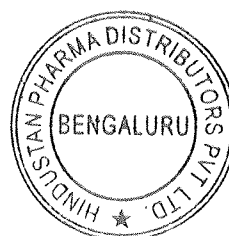
##### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.





**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

*Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

*Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

**iii. Derecognition**

*Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

**iv. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**3.13 Earnings / (Loss) per share**

The basic earnings / (loss) per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive, i.e., which reduces earnings per share or increases loss per share are included. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

**3.14 Cash-flow statement & Cash and cash equivalents**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

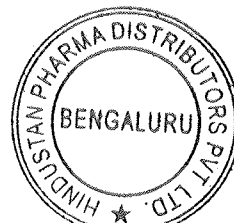
**3.15 Operating segments & Operating cycle**

The Company publishes the financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**3.16 Recent Accounting Pronouncements**

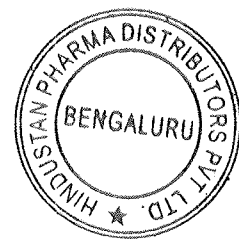
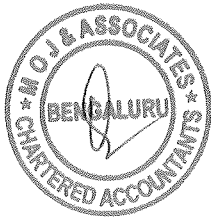
There are no standards that are notified and not yet effective as on the date.



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**4 Property, plant and equipment**

Particulars	Leasehold improvements	Furniture and fixtures	Computer equipment	Office Equipments	Vehicles	Total
<b>Gross carrying amount</b>						
As at 01 April 2023	42.11	55.69	30.59	64.26	2.28	194.93
Additions	3.29	2.72	1.27	12.93	-	20.21
Disposals	-	-	-	-	-	-
As at 31 March 2024	45.40	58.41	31.86	77.19	2.28	215.14
As at 01 April 2024	45.40	58.41	31.86	77.19	2.28	215.14
Additions	-	0.68	1.58	8.97	-	11.23
Disposals	44.60	53.95	24.89	73.99	0.00	197.42
As at 31 March 2025	0.80	5.14	8.55	12.17	2.28	28.95
<b>Accumulated Depreciation</b>						
As at 01 April 2023	3.67	4.74	6.89	10.43	0.47	26.20
Charge for the year	5.09	6.58	10.54	14.92	0.54	37.68
Disposals	-	-	-	-	-	-
As at 31 March 2024	8.76	11.32	17.43	25.35	1.01	63.88
As at 01 April, 2024	8.76	11.32	17.43	25.35	1.01	63.88
Charge for the year	4.50	4.21	8.65	13.98	0.23	31.57
Disposals	12.67	13.05	20.32	37.14	-	83.17
As at 31 March 2025	0.59	2.48	5.76	2.19	1.24	12.28
<b>Carrying amounts (net)</b>						
As at 31 March 2024	36.64	47.09	14.43	51.84	1.27	151.26
As at 31 March 2025	0.21	2.66	2.79	9.98	1.04	16.67



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2025

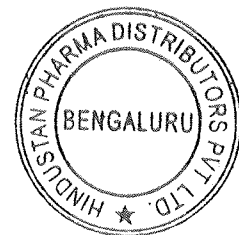
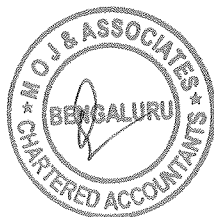
All amounts in INR lakhs, unless otherwise stated

**5 Right-of-use assets**

Particulars	Building	Total
Gross carrying amount		
As at 01 April 2023	1,161.57	1,161.57
Additions	-	-
Disposals	-	-
As at 31 March 2024	1,161.57	1,161.57
As at 01 April 2024	1,161.57	1,161.57
Additions	-	-
Disposals	1,101.18	1,101.18
As at 31 March 2025	60.39	60.39
Accumulated Depreciation		
As at 01 April 2023	101.59	101.59
Depreciation	86.91	86.91
Disposals	-	-
As at 31 March 2024	188.50	188.50
As at 01 April, 2024	188.50	188.50
Depreciation	33.38	33.38
Disposals	(199.26)	(199.26)
As at 31 March 2025	22.62	22.62
Carrying amounts (net)		
As at 31 March 2024	973.07	973.07
As at 31 March 2025	37.77	37.77

**6 Intangible assets**

Particulars	Brand	CRM	Computer software	Total
Gross carrying amount				
As at 01 April 2023	158.00	156.00	15.91	329.91
Additions	-	-	2.66	2.66
Disposals	-	-	-	-
As at 31 March 2024	158.00	156.00	18.57	332.57
Additions	-	-	0.06	0.06
Disposals	-	-	(14.73)	(14.73)
As at 31 March 2025	158.00	156.00	3.90	317.90
Accumulated amortisation				
As at 01 April 2023	44.38	34.50	2.01	80.89
Amortisation for the year	28.81	22.35	3.49	54.64
Disposals	-	-	-	-
As at 31 March 2024	73.19	56.85	5.50	135.53
Amortisation for the year	28.73	22.29	3.83	54.84
Disposals	-	-	(7.01)	(7.01)
As at 31 March 2025	101.92	79.14	2.32	183.36
Carrying amounts (net)				
As at 31 March 2024	84.81	99.15	13.07	197.04
As at 31 March 2025	56.08	76.86	1.58	134.54



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**7 Other financial assets**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Security deposit *	9.45	32.20
<b>Total</b>	<b>9.45</b>	<b>32.20</b>

\* The above deposits are maintained against warehouses taken on lease.

**8 Deferred tax asset (net)**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Deferred tax asset relates to the following</b>		
i. Impact on disallowances as per income-tax	-	2.76
ii. Impact due to carried forward losses	-	432.05
iii. Impact on accounting of IND AS adjustment entries	-	25.33
	-	<b>460.13</b>

**Deferred tax liabilities**

i. Impact of difference in carrying amount of Property, plant and equipment as per tax accounts and books	-	(13.07)
ii. Impact on Re-measurement gains on defined benefit plans	-	(0.52)
	-	<b>(13.59)</b>

**Net deferred tax asset**

	-	<b>446.54</b>
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**9 Other non current assets**

Particulars	As at 31 March 2025	As at 31 March 2024
Prepaid expenses	-	0.43
<b>Total</b>	<b>-</b>	<b>0.43</b>

**10 Inventories**

Particulars	As at 31 March 2025	As at 31 March 2024
<i>(Valued at lower of cost and net realisable value)</i>		
Medicines and medical consumables	963.66	2,341.31
<b>Total</b>	<b>963.66</b>	<b>2,341.31</b>

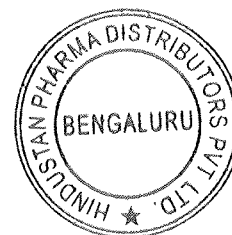
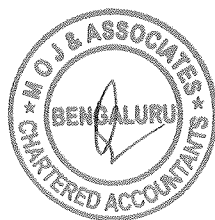
**11 Trade receivables**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Considered good- secured	2,905.19	2,099.39
Less: Loss allowance	(28.66)	(14.18)
<b>Net trade receivables</b>	<b>2,876.53</b>	<b>2,085.21</b>

Of the above, trade receivables from related parties are as below (refer note 35).

Particulars	As at 31 March 2025	As at 31 March 2024
Trade receivables from related parties	1,553.20	1,263.11
Less: Loss allowance	-	-
<b>Net trade receivables from related parties</b>	<b>1,553.20</b>	<b>1,263.11</b>

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 37 (B).



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
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**Expected Credit Loss**

**11.1 Trade receivables ageing schedule**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Undisputed trade receivables- considered good</b>		
Outstanding for following periods from due date of payment		
Unbilled	-	-
Less than 6 months	2,219.82	2,016.10
6 months - 1 year	40.47	4.52
1-2 years	434.11	78.08
2-3 years	207.40	0.69
More than 3 years	3.39	-
<b>Total</b>	<b>2,905.19</b>	<b>2,099.39</b>

Note: The Related party balances are excluded from the Expected Credit Loss (ECL) computation.

**11.2 Loss allowance provision matrix- default rates applied at each reporting date**

Particulars	As at 31 March 2025	As at 31 March 2024
Due date to 1 year	19.93% - 100%	14.09% - 100%
More than 1 years	100%	100%

**11.3 Movement of loss allowance**

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning of the year	7.56	7.56
Provision of loss allowance (net)	14.48	-
<b>Balance at the end of the year</b>	<b>22.04</b>	<b>7.56</b>

**12 Cash and cash equivalents**

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with banks		
- in current accounts	81.40	0.65
Cash on hand	2.14	1.48
<b>Total</b>	<b>83.54</b>	<b>2.12</b>

**13 Loans**

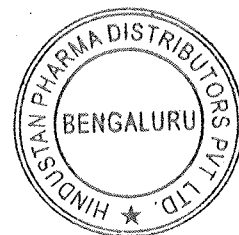
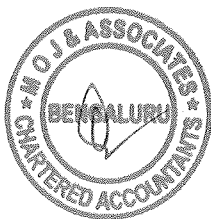
Particulars	As at 31 March 2025	As at 31 March 2024
Staff advance	2.79	3.97
<b>Total</b>	<b>2.79</b>	<b>3.07</b>

**14 Income tax assets**

Particulars	As at 31 March 2025	As at 31 March 2024
Tax deducted at source(TDS) receivable	-	1.66
Tax collected at source(TCS) paid	14.16	9.14
<b>Total</b>	<b>14.16</b>	<b>10.80</b>

**15 Other current assets**

Particulars	As at 31 March 2025	As at 31 March 2024
Balances with statutory authorities	288.09	537.75
Prepaid expenses	66	8.65
Advance to suppliers	93.85	127.13
<b>Total</b>	<b>383.60</b>	<b>673.53</b>





**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**16 Share capital**

**16.1 Particulars**

	As at 31 March 2025	As at 31 March 2024
<b>Authorised</b>		
1,00,000 equity shares of Rs 10 each	10.00	10.00
	<b>10.00</b>	<b>10.00</b>
<b>Issued, subscribed and fully paid up</b>		
1,00,000 equity shares of Rs 10 each	10.00	10.00
	<b>10.00</b>	<b>10.00</b>

**16.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period is as given below:**

Particulars	Number of shares	Amount
<b>As at 01 April 2023</b>		
Add: Shares issued during the year	1,00,000	10.00
<b>As at 31 March 2024</b>	1,00,000	10.00
Add: Shares issued during the year	-	-
<b>As at 31 March 2025</b>	<b>1,00,000</b>	<b>10.00</b>

**16.3 Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders' meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders' meeting. 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.

**16.4 Call option of the Investor**

At anytime after expiry of a period of 3 years from the Closing Date, the investor shall have the right, but not the obligation, to purchase the remaining % percent) shareholding of the Company from the Promoters as per the provisions of the Share Subscription Agreement (SSA). Basis SSA Amit Kumar, Mohit Chowhan and Sumit Chowhan are 'promoters'.

**16.5 Put option of the Promoters**

At anytime during (i) the period of 6 (Six) Months commencing from the date of expiry of period of 3 years from the closing Date; or (ii) the period of 6 (Six) Months commencing from the date of expiry of period of 5 years from the Closing Date (Put option periods), the promoters shall have the right, but not the obligation, to require the investor to purchase remaining shareholding of the Company from the Promoters as per the Provisions of SSA.

**16.6 Details of shareholders holding more than 5% shares of the company**

Particulars	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
<i>Equity shares of INR 10 each fully paid-up held by</i>				
Aster DM Healthcare Limited	86,000	8.60	86,000	8.60
Amit Kumar	4,667	0.47	4,667	0.47
Mohit Chowhan	4,667	0.47	4,667	0.47
Sumit Chowhan	4,666	0.47	4,666	0.47
	<b>1,00,000</b>	<b>10.00</b>	<b>1,00,000</b>	<b>10.00</b>

**Note:**

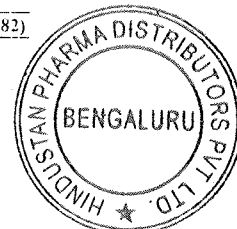
As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

**16.7 Details of shareholding of Promoters**

Promoter name	Shares held as at 31 March 2025		Shares held as at 31 March 2024	
	Number of shares	% of total shares	Number of shares	% of total shares
<i>Equity shares of INR 10 each fully paid-up held by</i>				
Aster DM Healthcare Limited	86,000	86.00%	86,000	86.00%
Amit Kumar	4,667	4.67%	4,667	4.67%
Mohit Chowhan	4,667	4.67%	4,667	4.67%
Sumit Chowhan	4,666	4.67%	4,666	4.67%
	<b>1,00,000</b>	<b>100%</b>	<b>1,00,000</b>	<b>100%</b>

**17 Other equity**

Particulars	As at 31 March 2025	As at 31 March 2024
<i>(Rs. in lakhs)</i>		
<b>Reserves and surplus</b>		
Securities premium	1,529.29	1,529.29
	<b>1,529.29</b>	<b>1,529.29</b>
<b>Retained earnings</b>		
Opening balance	(1,622.11)	(883.75)
Loss for the year	(1,166.03)	(740.56)
Items of other comprehensive Income	0.29	2.20
<b>Total</b>	<b>(2,787.85)</b>	<b>(1,622.11)</b>
<b>Total Other Equity</b>	<b>(1,258.56)</b>	<b>(92.82)</b>



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**18 Borrowings**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Non- Current Loan</b>		
Loan from Director ( Refer Note 35)	62.22	62.22
<b>Current</b>	<b>62.22</b>	<b>62.22</b>
<i>Unsecured - at amortised cost</i>		
Inter Corporate Loan ( Refer Note 35)	3,614.57	2,796.23
<i>Secured - at amortised cost</i>		
Loan from Banks	1,550.26	2,454.98
Current maturities of long term borrowings	-	-
<b>Total</b>	<b>5,165.13</b>	<b>5,251.21</b>

Information about the Company's exposure to interest rate and liquidity risks are included in Note 37 (B)

**Terms and Condition for repayment of Borrowings**

Loan from director

**Repayment and other terms**

The interest free loan would be repaid on a) promoters exercising the call option/put option as defined in rights under Clause 12.1 & 12.2 of the share holder agreement along with the guarantee from the Holding Company

Loan from director

The Company shall be liable to repay the interest free only to the extent and on a monthly basis the difference between the output and input tax of that particular month only if the Company receives input tax credit towards the amount of the GST so paid by the Company.

Inter corporate loan

Sanctioned a loan amount of Rs 2849.50 Lakhs from the Holding company of Aster DM Healthcare Ltd & Rs. 1500 Lakhs from Sri Saiatha Multispecialty Hospitals Private Limited that can be disbursed in various tranches as per the requirements and repayable on demand basis. The loan is unsecured and interest is charged based on a floating rate

Loan from banks

Loan from Banks from bank availed and carries and interest of 7.90%-10.35% per annum.

The facility is secured by way of

i) Exclusive first charge on the current assets of the Company (present and future)

ii) Corporate Guarantee from Aster DM Healthcare Limited

**19 Lease liabilities**

Particulars	As at 31 March 2025	As at 31 March 2024
<b>Non current</b>		
<i>Carried at amortised cost</i>		
Lease liabilities	40.14	1,073.69
Less: Current maturity of lease liabilities	40.14	1,073.69
<b>Total non-current lease liabilities</b>	<b>15.69</b>	<b>32.10</b>
<b>Current</b>		
Lease liabilities		
For details of Lease liabilities, refer note 39.	15.69	32.10

**20 Provisions**

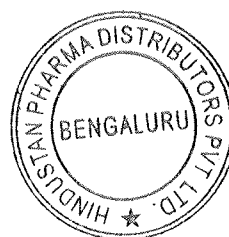
Particulars	As at 31 March 2025	As at 31 March 2024
<b>Non-current</b>		
Provision for Gratuity	15.60	10.94
<b>Total</b>	<b>15.60</b>	<b>10.94</b>
<b>Non- Current Loan</b>		
Provision for Gratuity	0.06	0.04
<b>Total</b>	<b>0.06</b>	<b>0.04</b>

**21 Trade payables**

Particulars	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro and small enterprises	29.48	98.86
Total outstanding dues of creditors other than micro and small enterprises	696.67	973.19
<b>Total</b>	<b>726.15</b>	<b>1,072.05</b>

All trade payables are 'current'. The average credit period taken is 30-60 days.

Information about the Company's exposure to interest rate and liquidity risks are included in note 37(B).



22.1 Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Balance as at 31 March 2025</b>				
Micro, small and medium enterprises	29.48	-	-	-
Others	691.05	5.61	-	-
<b>Total</b>	<b>720.53</b>	<b>5.61</b>	-	-
<b>Balance as at 31 March 2024</b>				
Micro, small and medium enterprises	98.86	-	-	-
Others	973.19	-	-	-
<b>Total</b>	<b>1,072.05</b>	-	-	-

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount due to micro and small enterprises	29.48	98.86
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-
<b>Total</b>	<b>29.48</b>	<b>98.86</b>

22 Other financial liabilities

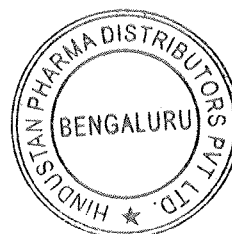
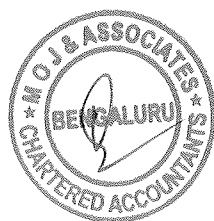
Particulars	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Advance from customers	86.46	43.77
Employee benefits payable	18.52	53.33
Interest accrued but not due on borrowings*	456.83	226.32
<b>Total</b>	<b>561.81</b>	<b>323.42</b>

\* The details of interest rates, repayment and other terms are disclosed in note 18

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 17(B)

23 Other current liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues payable	21.66	27.33
<b>Total</b>	<b>21.66</b>	<b>27.33</b>



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**24 Revenue from operations**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Revenue from sale of products	13,401.92	16,778.43
<b>Total</b>	<b>13,401.92</b>	<b>16,778.43</b>

The Company's revenue from other operating income comprises primarily of sale of pharmaceutical products.

**25 Other income**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Interest income under the effective interest method on:		
Lease deposits	29.46	1.25
Gain on termination of lease	113.45	-
Other non-operating income	2.41	62.06
<b>Total</b>	<b>145.32</b>	<b>63.31</b>

**26 Purchases of medicines and consumables**

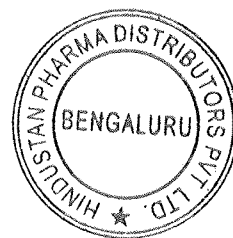
Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Medicines and consumables	11,342.97	16,218.85
<b>Total</b>	<b>11,342.97</b>	<b>16,218.85</b>

**27 Changes in inventories**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Opening stock	2,341.31	1,782.32
Closing stock	(963.66)	(2,341.31)
<b>Total</b>	<b>1,377.65</b>	<b>(558.99)</b>

**28 Employee benefits expense**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Salaries and allowances	290.33	474.15
Contribution to provident and other funds	15.88	24.12
Gratuity expenses	5.60	5.59
Staff welfare expenses	4.98	16.19
<b>Total</b>	<b>316.79</b>	<b>520.05</b>





**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED****Notes to the financial statements for the year ended 31 March 2025**

All amounts in INR lakhs, unless otherwise stated

**29 Finance cost**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Interest on borrowings*	493.41	449.76
Interest on lease liabilities	23.93	85.78
Other borrowing costs	24.77	19.25
<b>Total</b>	<b>542.11</b>	<b>554.79</b>
*Interest expense to related parties (refer note 35)	272.74	221.48

**30 Depreciation and amortisation expenses**

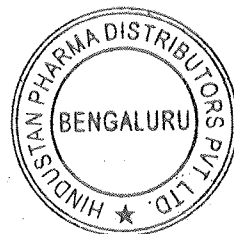
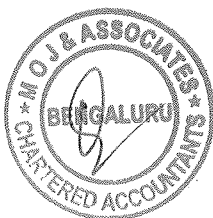
Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Depreciation on property, plant and equipment	31.57	37.68
Depreciation on right-of-use assets	33.38	86.91
Amortisation on intangible assets	54.84	54.64
<b>Total</b>	<b>119.79</b>	<b>179.23</b>

**31 Other expenses**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Freight charges	45.70	232.29
Power, water and fuel	12.87	18.57
Repairs and maintenance *	19.46	8.58
Legal, professional and other consultancy	15.35	60.18
Auditors remuneration (refer note 34)	5.59	6.03
Marketing expenses	-	45.23
Brand licencing fees	9.15	4.69
Sales commission expenses	123.37	116.43
Bank charges	18.97	9.44
Bad debts	38.12	6.86
Rates and taxes	25.90	1.34
Travelling and conveyance	5.61	16.26
Water charges	0.48	-0.36
Insurance	2.40	6.99
Communication	30.08	29.71
Office expenses	56.98	29.15
Provision for Expected Credit Losses	14.48	6.62
Manpower services	95.37	379.04
Assets Written Off	40.94	-
Miscellaneous expenses	6.54	0.40
	<b>567.36</b>	<b>978.17</b>

**\* Repairs and Maintenance**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Repairs and maintenance - vehicle	2.81	2.19
Repairs and maintenance - building	13.69	3.19
Repairs and maintenance - IT	2.96	3.20
	<b>19.46</b>	<b>8.58</b>

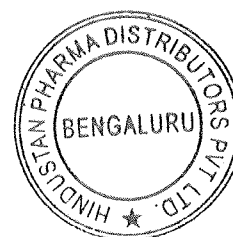


**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**32 Income taxes**

**32.1 Income tax recognised in statement of profit and loss**

Particulars		For the Year ended 31 March 2025	For the Year ended 31 March 2024
Current tax		-	-
Deferred tax		446.60	(309.80)
		<b>446.60</b>	<b>(309.80)</b>
<hr/>			
Particulars		For the Year ended 31 March 2025	For the Year ended 31 March 2024
Profit before tax		-	-
Applicable tax rate		25.17%	25.17%
<b>Income tax calculated at applicable tax rate</b>	<b>A</b>	-	-
Deferred tax Adjustment on account of:			
Reversal of unabsorbed business loss		434.81	(290.01)
Provision for employee benefits		(0.46)	(0.23)
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961		(13.07)	(4.14)
over depreciation under Companies Act.			
Impact on accounting of IND AS adjustment entries		25.33	(15.42)
	<b>B</b>	<b>446.60</b>	<b>(309.80)</b>
Income tax expense recognised in statement of profit and loss	<b>(A+B)</b>	446.60	(309.80)



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2025

All amounts in INR lakhs, unless otherwise stated

**33 Earnings/ (Loss) per share****A. Basic earnings / (loss) per share**

The calculation of profit/(loss) attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings / (loss) per share calculations are as follows:

**i) Net loss attributable to equity share holders (basic)**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Net loss for the year, attributable to the equity share holders	(1,165.74)	(738.36)

**ii) Weighted average number of equity shares (basic)**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Opening balance (Refer Note 16)	1,00,000	1,00,000
Weighted average number of equity shares of INR 10 each for the period	1,00,000	1,00,000
Loss per share (basic)	(11.66)	(7.38)

**B. Diluted earnings/(loss) per share**

The calculation of profit/ (loss) attributable to equity share holders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares is as follows:

**i) Net profit/(loss) attributable to equity share holders diluted**

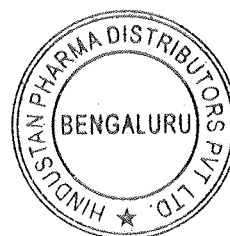
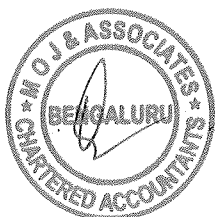
Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Net loss for the year, attributable to the equity share holders	(1,165.74)	(738.36)

**ii) Weighted average number of equity shares (diluted)**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Weighted average number of equity shares of INR 10 each for the year (basic)	1,00,000.00	1,00,000.00
Weighted average number of equity shares of INR 10 each for the year (diluted)	1,00,000.00	1,00,000.00
Loss per share, diluted	(11.66)	(7.38)

**34 Payment to auditors (net of goods and services tax)**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Statutory audit fee	4.05	4.05
Tax audit fee(Income Tax and Goods and Service tax)	1.54	1.54
Other fees		0.11
<b>Total</b>	<b>5.59</b>	<b>6.03</b>



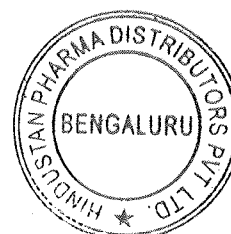
**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**35 Related parties**

Holding Company	Aster DM Healthcare Limited
Indirect Associates	Alfaone Retail Private Limited
Partnership firm in which Director is Partner	Hindustan Drug House Hindustan Healthcare Hindustan Drug Agencies
Key managerial personnel (KMP)	Amit Kumar (Director) Kasim Kanikkudiyil Lathief (Director) Abdul Salam Amerah (Director) Abdurahman Kartholiparamba (Director) Nerendranath Venkata Chella (Director)
Share holders having significant influence	Mohit Chowan Sumit Chowan
Fellow Subsidiary	Sri Sainatha Multispeciality Hospitals Private Limited Malabar Institute of Medical Sciences Ltd Sanghamitra Hospitals Private Limited Prerana Hospital Limited

**a) Transactions with Related Parties during the period**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
<b>Revenue from Operation</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	2,956.87	1,930.76
<i>Fellow Subsidiary</i>		
Malabar Institute of Medical Sciences Ltd	163.96	396.89
Sanghamitra Hospitals Private Limited	10.52	2.00
Prerana Hospital Limited	49.89	3.36
<i>Indirect Associates</i>		
Alfaone Retail Private Limited	817.92	6,379.06
<i>Partnership firm in which Director is Partner</i>		
Hindustan Healthcare	10.06	8.26
Hindustan Drug Agencies	48.30	5.48
<b>Marketing Expenses</b>		
<i>Indirect Associates</i>		
Alfaone Retail Private Limited	-	45.23
<b>Finance cost</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	201.76	115.73
<i>Fellow Subsidiary</i>		
Sri Sainatha Multispeciality Hospitals Private Limited	70.98	105.75
<b>Loan received during the period</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	1,000.00	600.00
<b>Loan repaid during the period</b>		
<i>Fellow Subsidiary</i>		
Sri Sainatha Multispeciality Hospitals Private Limited	181.35	650.00
<i>Key managerial personnel (KMP)</i>		
Amit Kumar	-	149.36
<b>Guarantee Commission expense</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	24.77	19.25
<b>Brand License Fees</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	9.15	4.69
<b>IT Expenses</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	19.16	-





**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
<b>Remuneration to Key managerial personnel</b>		
Amit Kumar	32.42	23.38
Abdul Salam Amcerali	0.35	
Abdurahman Kartholiparamba	0.41	
Nerendranath Venkata chella	0.58	
Kasim Latheef		
<b>Remuneration to Share holders having significant influence</b>		
Mohit Chowan	16.78	18.56
Sumit Chowan	32.42	23.38

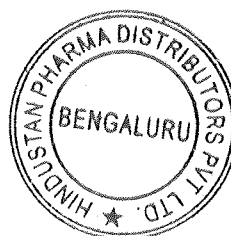
**35 Related parties (continued)**

(b) Balances outstanding as at the balance sheet date

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
<b>Trade Receivables</b>		
<i>Indirect Associates</i>		
Alfaone Retail Private Limited	1,415.40	1,159.51
<i>Holding Company</i>		
Aster DM Healthcare Limited	97.22	77.34
<i>Fellow Subsidiary</i>		
Malabar Institute of Medical Sciences Ltd	28.44	27.23
Dr. Ramesh Cardiac and Multispeciality Hospital Pvt Ltd	3.50	2.10
Prerana Hospital Limited	-	3.53
<i>Partnership firm in which Director is Partner</i>		
Hindustan Drug House	0.57	-
Hindustan Healthcare	2.74	1.32
Hindustan Drug Agencies	5.94	1.09
<b>Trade Payables</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	114.02	101.35
<b>Advance from customers</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	75.72	29.94
<i>Fellow Subsidiary</i>		
Prerana Hospital Limited	0.00	-
<i>Partnership firm in which Director is Partner</i>		
Hindustan Drug Agencies	0.02	-
<b>Borrowings</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	2,849.50	1,849.50
<i>Fellow Subsidiary</i>		
Sri Sainatha Multispeciality Hospitals Private Limited	765.37	946.73
<i>Key managerial personnel (KMP)</i>		
Amit Kumar	62.22	62.22
<b>Interest accrued but not due on borrowings</b>		
<i>Holding Company</i>		
Aster DM Healthcare Limited	389.25	207.67
<i>Fellow Subsidiary</i>		
Sri Sainatha Multispeciality Hospitals Private Limited	67.58	18.65
<b>Remuneration to Key managerial personnel (KMP)</b>		
Amit Kumar	-	9.76
<b>Remuneration to Share holders having significant influence</b>		
Mohit Chowan	11.11	11.11
Sumit Chowan	-	9.76

i) Related party relationships are as identified by the management on the basis of information available with them and accepted by the auditors.

ii) No amount is / has been written back during the period in respect of debts due from or to related party.



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**

Notes to the financial statements for the year ended 31 March 2025

All amounts in INR lakhs, unless otherwise stated

**36 Segment reporting**

In accordance with Ind AS 108, Operating Segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in the financial statements.

**37 Financial Instruments - Fair values and risk management****(A) Accounting classifications and fair values**

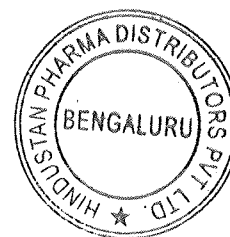
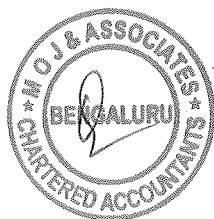
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**31 March 2025**

Particulars	Note	Carrying amount				Fair value		
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3
<b>Assets</b>								
<b>Financial assets not measured at fair value</b>								
Loans	13	2.79	-	-	2.79	-	-	2.79
Trade receivables	11	2,876.53	-	-	2,876.53	-	-	2,876.53
Cash and cash equivalents	12	83.54	-	-	83.54	-	-	83.54
Other financial assets	7	9.45	-	-	9.45	-	-	9.45
<b>Total</b>		<b>2,972.31</b>	<b>-</b>	<b>-</b>	<b>2,972.31</b>	<b>-</b>	<b>-</b>	<b>2,972.31</b>
<b>Liabilities</b>								
<b>Financial liabilities not measured at fair value</b>								
Borrowings	18	-	-	5,227.35	5,227.35	-	-	5,227.35
Lease liabilities	19	-	-	40.14	40.14	-	-	40.14
Trade payables	21	-	-	726.15	726.15	-	-	726.15
Other financial liabilities	22	-	-	561.81	561.81	-	-	561.81
<b>Total</b>		<b>-</b>	<b>-</b>	<b>6,555.45</b>	<b>6,555.45</b>	<b>-</b>	<b>-</b>	<b>12,500.07</b>

**31 March 2024**

Particulars	Note	Carrying amount				Fair value		
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3
<b>Assets</b>								
<b>Financial assets not measured at fair value</b>								
Loans	13	3.07	-	-	3.07	-	-	3.07
Trade receivables	11	2,085.21	-	-	2,085.21	-	-	2,085.21
Cash and cash equivalents	12	2.12	-	-	2.12	-	-	2.12
Other financial assets	7	32.20	-	-	32.20	-	-	32.20
<b>Total</b>		<b>2,122.60</b>	<b>-</b>	<b>-</b>	<b>2,122.60</b>	<b>-</b>	<b>-</b>	<b>2,122.60</b>
<b>Liabilities</b>								
<b>Financial liabilities not measured at fair value</b>								
Borrowings	18	-	-	5,313.43	5,313.43	-	-	5,313.43
Lease liabilities	19	-	-	1,073.69	1,073.69	-	-	1,073.69
Trade payables	21	-	-	1,072.05	1,072.05	-	-	1,072.05
Other financial liabilities	22	-	-	323.42	323.42	-	-	323.42
<b>Total</b>		<b>-</b>	<b>-</b>	<b>7,782.59</b>	<b>7,782.59</b>	<b>-</b>	<b>-</b>	<b>7,782.59</b>



**37 Financial Instruments- Fair values and risk management (continued)**

**(B) Financial risk management**

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk.

**i) Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's audit and risk management committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee.

**ii) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The movement in lifetime ECL in respect of trade and other receivables during the period was as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Balance at the beginning	7.56	7.56
Impairment loss recognised	14.48	-
<b>Balance at the end</b>	<b>22.04</b>	<b>7.56</b>

One single customer accounted for more than 10% of the revenue as of 31 March 2025. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

**iii) Liquidity risk**

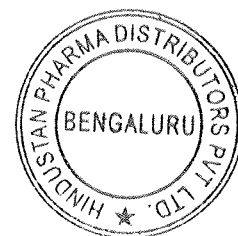
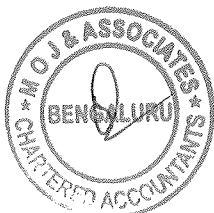
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity management requirements. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2025:

Particulars	Less than 1 year	More than 1 year
Trade payables	726.15	-
Current borrowings	5,165.13	-
Non current borrowings (including current maturities)	-	62.22
Lease liabilities	18.30	27.45
Other financial liabilities	561.81	-
<b>Total</b>	<b>6,471.39</b>	<b>89.67</b>

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2024:

Particulars	Less than 1 year	More than 1 year
Trade payables	1,072.05	-
Current borrowings	5,251.21	-
Non current borrowings (including current maturities)	-	62.22
Lease liabilities	32.10	1,041.59
Other financial liabilities	323.42	-
<b>Total</b>	<b>6,678.78</b>	<b>1,103.81</b>



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

The Company is using the cash inflows from the financial assets and the available bank facilities to manage the liquidity. The table below provides the cash inflows from significant financial assets as of 31 March 2025:

Particulars	Less than 1 year	More than 1 year
Cash and cash equivalents	83.54	-
Trade receivables	2,876.53	-
Loans	2.79	-
Other financial assets	-	9.45
<b>Total</b>	<b>2,962.86</b>	<b>9.45</b>

The Company is using the cash inflows from the financial assets and the available bank facilities to manage the liquidity. The table below provides the cash inflows from significant financial assets as of 31 March 2024:

Particulars	Less than 1 year	More than 1 year
Cash and cash equivalents	2.12	-
Trade receivables	2,085.21	-
Loans	3.07	-
Other financial assets	-	32.20
<b>Total</b>	<b>2,090.40</b>	<b>32.20</b>

**Interest rate risk**

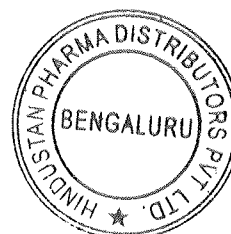
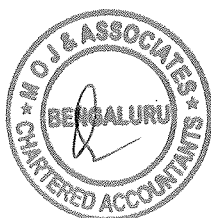
The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. The Company's significant interest rate risk arises from long-term borrowings with variable interest rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

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

Financial liabilities (bank borrowings)	As at 31 March 2025	As at 31 March 2024
Variable rate long term borrowings including current maturities	5,165.13	5,251.21

**Sensitivity**

Particulars	Impact on profit or (loss) As at 31 March 2025	Impact on profit or (loss) As at 31 March 2024
<b>Sensitivity</b>		
1% increase Repo rate	51.65	52.51
1% decrease in Repo rate	(51.65)	(52.51)



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**38 Employee benefits**

- (A) The Company provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 periods are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of periods of service. The plan is not funded by the company.  
Based on an actuarial valuation, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31 March 2025	As at 31 March 2024
Defined benefit obligation liability	15.66	10.98
Plan assets	-	-
<b>Net defined benefit liability</b>	<b>15.66</b>	<b>10.98</b>

**(B) Reconciliation of present value of defined benefit obligation**

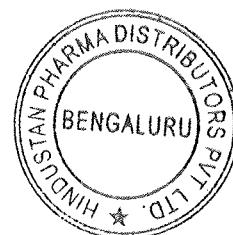
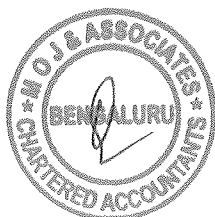
Particulars	As at 31 March 2025	As at 31 March 2024
Balance at beginning of the year	8.50	4.97
Benefit paid	-	-
Current service cost	4.88	5.05
Past service cost	-	-
Interest cost	0.72	0.54
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.61	0.17
- experience adjustments	(0.84)	(2.23)
Transfers In/(out)	(0.69)	-
<b>Balance at the end of the year</b>	<b>13.18</b>	<b>8.50</b>
<b>Net defined benefit (liability)</b>	<b>13.18</b>	<b>8.50</b>

**(C) (i) Expenses recognised in the statement of profit & loss account**

Particulars	As at 31 March 2025	As at 31 March 2024
Current service cost	4.88	5.05
Past service cost	-	-
Interest cost	0.72	0.54
<b>Gratuity cost</b>	<b>5.60</b>	<b>5.59</b>

**(ii) Remeasurements recognised in other comprehensive income**

Particulars	As at 31 March 2025	As at 31 March 2024
Actuarial gain on defined benefit obligation	0.23	2.06
<b>Remeasurements recognised in other comprehensive income</b>	<b>0.23</b>	<b>2.06</b>





**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED****Notes to the financial statements for the year ended 31 March 2025**

All amounts in INR lakhs, unless otherwise stated

**(D) Actuarial valuation**

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. The defined benefit plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest rate risk	A decrease in the bond interest rate will increase the plan liability
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(i) Assumptions used to determine benefit obligations:**

Principal actuarial assumptions at the reporting date (expressed as weighted average)

Particulars	31 March 2025	31 March 2024
Discount rate	6.4%	7%
Future salary growth	7%	7%
Interest Rate	7.00%	7.20%
Attrition rate	14%	14%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

The weighted-average assumptions used to determine net periodic benefit cost is set out below:

Particulars	31 March 2025	31 March 2024
Weighted average duration of defined benefit	5 years	6 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

**(ii) Sensitivity analysis**

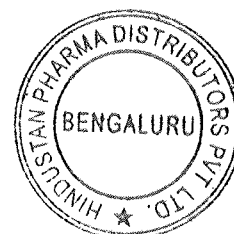
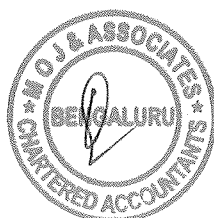
Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rate. Reasonably possible changes at the reporting date to one of the actuarial assumptions, holding all other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2025		31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	Increases by 1.08	Decreases by 0.99	Decreases by 0.81	Increases by 0.90
Future salary growth (1% movement)	Decreases by 0.99	Increases by 1.10	Increases by 0.89	Decreases by 0.81
Withdrawal rate (1% movement)	Decreases by 0.25	Increases by 0.26	Decreases by 0.30	Increases by 0.31

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior periods.

**(E) Defined contribution plan***(Rs. in lakhs)*

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Contribution to provident fund	13.63	21.03
Employee State Insurance	2.24	3.06
Labour Welfare Fund	0.01	0.03
Components recognised in the statement of profit and loss	15.88	24.12



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**39 Leases**

The Company has taken warehouse on lease from various parties from where pharmaceutical products are distributed. The leases typically run for a period of 1 period - 5 periods. Lease payments are renegotiated nearing the expiry to reflect market rentals.

**(i) Lease liabilities**

Following are the changes in the lease liabilities for the period ended 31 March 2025:

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Opening balance	1,073.69	1,099.39
Additions	-	-
Finance cost accrued during the year (Refer note 29)	23.93	85.78
Payment of lease liabilities	(42.11)	(111.48)
Reversal of lease liabilities	(1,015.37)	-
<b>Closing balance</b>	<b>40.14</b>	<b>1,073.69</b>
Non-current lease liabilities	24.45	1,041.59
Current lease liabilities	15.69	32.10

**(ii) Maturity analysis – contractual undiscounted cash flows**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Less than one year	18.30	32.11
One to five years	27.45	247.37
More than five years	-	794.21
<b>Total undiscounted lease liabilities</b>	<b>45.75</b>	<b>1,073.69</b>

**(iii) Amounts recognised in statement of profit or loss**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Interest on lease liabilities	23.93	85.78
Depreciation on right-of-use assets	33.38	86.91

**40 Contingent liabilities (to the extent not provided for)**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Claims against Company not acknowledged as debts	-	-

**41 Commitments**

Particulars	For the Year ended 31 March 2025	For the year ended 31 March 2024
Capital commitments (Net of advances)	-	-

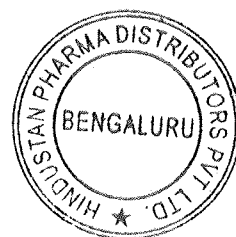
**42 Capital management**

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2025 was as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Total equity attributable to the equity shareholders of the Company	(1,248.56)	(82.82)
As a percentage of total capital	-31%	-2%
Long-term borrowings including current maturities	62.22	62.22
Short-term borrowings	5,165.13	5,251.21
<b>Total borrowings</b>	<b>5,227.35</b>	<b>5,313.43</b>
As a percentage of total capital	131%	102%
<b>Total capital (Equity and Borrowings)</b>	<b>3,978.79</b>	<b>5,230.61</b>



**HINDUSTAN PHARMA DISTRIBUTORS PRIVATE LIMITED**  
**Notes to the financial statements for the year ended 31 March 2025**  
All amounts in INR lakhs, unless otherwise stated

**43 Financial Ratios**

Ratio	Methodology	For the year ended 31 March 2025	For the year ended 31 March 2024	Variance *
Current ratio	Current assets/ Current liabilities	0.67	0.76	15%
Debt-equity ratio	Total debt/ Shareholder's equity	(5.28)	(94.43)	1688%
Debt service coverage ratio	Earnings available for debt service/ Debt service	(0.11)	(0.57)	437%
Return on equity	Net profit after taxes/ Shareholder's equity	0.93	8.94	857%
Inventory turnover ratio	Cost of goods sold/ Average inventory	7.70	7.60	-1%
Trade receivables turnover ratio	Net credit sales/ Average accounts receivables	5.40	5.88	9%
Trade payables turnover ratio	Total purchases/ Average trade payables	15.62	15.13	-3%
Net capital turnover ratio	Net sales/ Working capital	(6.19)	(10.55)	71%
Net profit ratio	Net profit/ Net sales	(0.09)	(0.04)	-49%
Return on capital employed	Earnings before interest and taxes/ Capital employed	(0.04)	(0.09)	113%

**Notes:**

Debt includes current and non-current lease liabilities

Earnings available for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and amortisations + Interest + Other adjustments (such as loss on sale of property, plant and equipment)

Debt service = Interest + Principal repayments

Net profit = Net profit after tax

Capital employed = Tangible net worth + Total debt + Deferred tax liability

**\*Remarks (for changes more than 25%)**

Debt-equity ratio During the year, there was a decrease in lease liabilities due to the termination of leases by the company

Debt service coverage ratio During the year, a decline in revenue and increase in losses reduced the earnings available for debt service, resulting in a lower debt service coverage ratio

Return on equity During the year, the company incurred higher losses, while net worth increased, leading to a decline in return on equity

Net capital turnover ratio Decline in revenue during the year resulted in a lower net capital turnover ratio

Net profit ratio The company recorded higher losses during the year, resulting in a significant decline in the net profit ratio

Return on capital employed Return on capital employed decreased due to higher losses and increased capital employed during the year

**44** The company's net worth has been eroded during the year, however the management is confident of survival of business with the support of the holding company

**45** During the year, the Company has closed one of its two operating units as part of an internal restructuring and operational streamlining initiative undertaken by the management. The financial performance of the said unit has been included in the Statement of Profit and Loss up to the date of its closure. The unit incurred a net loss of ₹1224.79 Lakhs during the year, which is included under the respective heads in the financial statements. All fixed assets and inventories pertaining to the closed unit have been either disposed of, transferred, or appropriately accounted for during the year. Trade receivables of ₹1720.47 Lakhs and trade payables of ₹240.43 Lakhs related to the closed unit continue to be reflected in the books of accounts and will be settled in the subsequent period. The management is in the process of closing out the remaining balances associated with the unit, and the same will be addressed in subsequent period.

**46 Other Statutory Information**

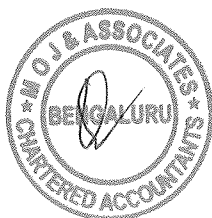
- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - The Company do not have any transactions with companies struck off.
  - The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
  - The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
  - The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
  - The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - 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,
  - The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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)
- 47** MCA has amended the Rule 3 of the Companies (Accounts) Rules, 2014 (the "Accounts Rules") vide notification dated August 05, 2022, relating to the mode of keeping books of account and other books and papers in electronic mode. Back-ups of the books of account and other books and papers of the company maintained in electronic mode are now required to be retained on a sever located in India on daily basis (instead of back-ups on a periodic basis as provided earlier) as prescribed under Rule 3(5) of the Accounts Rules. With respect to the above, the Company has complied with the requirement for all the IT applications except for payroll system and Kluster wherein the necessary daily backup logs are not available with the Company
- 48** Previous year figures have been regrouped wherever necessary to conform to the classification of the current year.

As per our report of even date attached  
For **M O J & Associates**  
Chartered Accountants  
ICAI Firm's Registration Number : 015425S

*(Signature)*

**Avneep L Mehta**  
Partner  
Membership no.: 225441

Place: **BENGALURU**  
Date: 12 May 2025

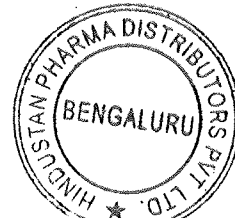


For and on behalf of the Board of Directors  
**HINDUSTAN PHARMA DISTRIBUTORS PVT LTD.**  
CIN : U51909KA2021PTC150604

*(Signature)*

**Kasim Kanikkudiyil Latheef**  
Director  
DIN 09366164

Place: **ERNAKULAM**  
Date: 12 May 2025



*(Signature)*

**Abdul Salam Ameerali**  
Director  
DIN 08091822

Place: **ERNAKULAM**  
Date: 12 May 2025