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| SFS Pharma Logistics Private Limited |
| Financials |
| 2023-2024 |

SFS Pharma Logistics Private Limited**Balance sheet as at 31 March 2024**

(All amounts in Indian rupees thousands, unless otherwise stated)

| | Notes | As at 31 March 2024 | As at 31 March 2023 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 2,055.231 | 2,401.496 |
| Financial assets | | | |
| Other financial assets | 4 | 120.407 | 205.403 |
| Deferred tax assets [net] | 23A | 280.888 | 158.066 |
| Income tax assets [net] | 23B | 168.503 | 53.302 |
| Other non-current assets | 5 | 215.000 | - |
| Total non-current assets | | 2,840.029 | 2,818.267 |
| Current assets | | | |
| Inventories | 6 | 2,867.724 | 3,104.448 |
| Financial assets | | | |
| Trade receivables | 7 | 16,016.642 | 9,640.005 |
| Cash and cash equivalents | 8 | 3,915.201 | 5,726.167 |
| Other financial assets | 4 | 1,285.202 | 2,423.216 |
| Other current assets | 5 | 360.624 | 1,163.920 |
| Total current assets | | 24,445.393 | 22,057.756 |
| TOTAL ASSETS | | 27,285.422 | 24,876.023 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 9 | 10,000.000 | 10,000.000 |
| Other equity | | 7,336.366 | 8,375.450 |
| Total equity | | 17,336.366 | 18,375.450 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Provisions | 10 | 1,401.216 | 980.111 |
| Total non-current liabilities | | 1,401.216 | 980.111 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 11 | - | - |
| - Dues of micro enterprises and small enterprises | | - | - |
| - Dues of other than micro enterprises and small enterprises | | 4,791.964 | 2,538.214 |
| Other financial liabilities | 12 | 3,460.701 | 2,747.035 |
| Other current liabilities | 13 | 167.175 | 122.583 |
| Provisions | 10 | 128.000 | 112.630 |
| Total current liabilities | | 8,547.840 | 5,520.462 |
| TOTAL EQUITY AND LIABILITIES | | 27,285.422 | 24,876.023 |

Significant accounting policies

2

The accompanying notes are an integral part of the standalone balance sheet

As per our report of even date attached

for **Jerry, Sunny & Rajesh**

Chartered Accountants

ICAI Firm's Registration number: 001326S

Sunny Varghese

Partner

Membership No. : 028612

Place: Kochi

Date: 25 May 2024



for and on behalf of the Board of Directors of

SFS Pharma Logistics Private Limited

CIN: U63090KL2011PTC029554

Radhakrishnan T.R

Director

DIN:00086627

Place: Kochi

Date: 25 May 2024

Praveen B

Director

DIN:10156869

SFS Pharma Logistics Private Limited
Statement of profit and loss for the year ended 31 March 2024
(All amounts in Indian rupees thousands, unless otherwise stated)

| | Notes | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 14 | 45,523.953 | 43,321.815 |
| Other income | 15 | 550.726 | 951.253 |
| Total income | | 46,074.679 | 44,273.068 |
| Expenses | | | |
| Employee benefits expense | 16 | 8,309.542 | 7,131.782 |
| Finance costs | 17 | 7.527 | 20.050 |
| Depreciation expense | 18 | 423.252 | 391.584 |
| Other expenses | 19 | 28,503.524 | 22,961.124 |
| Total expenses | | 37,243.845 | 30,504.540 |
| Profit before tax | | 8,830.834 | 13,768.528 |
| Tax expense: | 23C | | |
| Current tax | | 2,430.820 | 3,910.418 |
| Deferred tax credit | | (107.238) | (85.832) |
| Total tax expense | | 2,323.582 | 3,824.586 |
| Profit for the year | | 6,507.252 | 9,943.942 |
| Other comprehensive income/ (loss) | 23D | | |
| <i>Items that will not be reclassified subsequently to statement of profit and loss</i> | | | |
| Remeasurement of defined benefit liability | | (61.920) | 7.830 |
| Income tax related to items that will not be reclassified to profit or loss | | 15.584 | (2.178) |
| Total other comprehensive income/ (loss) for the year, net of income tax | | (46.336) | 5.652 |
| Total comprehensive income for the year | | 6,460.916 | 9,949.594 |
| Earnings per equity share | 20 | | |
| [Equity shares of face value ₹ 10 each] | | | |
| Basic [₹] | | 6.51 | 9.94 |
| Diluted [₹] | | 6.51 | 9.94 |
| Significant accounting policies | 2 | | |

The accompanying notes are an integral part of the standalone statement of profit and loss

As per our report of even date attached

for **Jerry, Sunny & Rajesh**
Chartered Accountants
ICAI Firm's Registration number: 001326S

Sunny Varghese
Partner
Membership No. : 028612

Place: Kochi
Date: 25 May 2024



for and on behalf of the Board of Directors of
SFS Pharma Logistics Private Limited
CIN: U63090KL2011PTC029554

Radhakrishnan T.R
Director
DIN:00086627

Place: Kochi
Date: 25 May 2024

Praveen B
Director
DIN:10156869

SFS Pharma Logistics Private Limited
Statement of cash flows for the year ended 31 March 2024
(All amounts in Indian rupees thousands, unless otherwise stated)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Profit before tax | 8,830.834 | 13,768.528 |
| Adjustments for: | | |
| Depreciation expense | 423.252 | 391.584 |
| Finance costs | 7.527 | 20.050 |
| Interest income | (488.748) | (138.174) |
| Liabilities/ provisions no longer required written back | (27.200) | (132.072) |
| Unrealised exchange (gain)/ loss, net | (20.396) | (315.678) |
| Credit impaired trade receivables written off | 25.324 | - |
| Increase in provisions | 374.555 | 210.765 |
| Provision for inventory obsolescence | - | 300.000 |
| Operating profit before working capital changes | 9,125.148 | 14,105.003 |
| Changes in assets and liabilities: | | |
| Decrease/ (Increase) in inventories | 236.724 | 199.342 |
| (Increase)/ decrease in trade receivable | (6,341.138) | (4,477.325) |
| Decrease in other financial assets | 1,245.946 | 1,919.711 |
| Decrease/ (increase) in other assets | 803.296 | (780.857) |
| Decrease in trade payables | 2,213.323 | (2,096.712) |
| Increase/ (decrease) in other financial liabilities | 713.666 | 1,157.181 |
| (Decrease)/ increase in other liabilities | 71.792 | (180.294) |
| Cash generated from operating activities | 8,068.757 | 9,846.049 |
| Income taxes paid, net of refund | (2,546.021) | (3,257.491) |
| Net cash from operating activities [A] | 5,522.736 | 6,588.558 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment including capital advances | (291.987) | (86.600) |
| Interest received | 465.812 | 11.652 |
| Net cash used in investing activities [B] | 173.825 | (74.948) |
| Cash flows from financing activities | | |
| Dividend paid | (7,500.000) | - |
| Repayment of loan availed from holding company | - | (1,300.000) |
| Finance costs | (7.527) | (20.050) |
| Net cash used in financing activities [C] | (7,507.527) | (1,320.050) |
| Increase in cash and cash equivalents, net [A+B+C] | (1,810.966) | 5,193.560 |
| Cash and cash equivalents at the beginning of the year | 5,726.167 | 532.607 |
| Cash and cash equivalents at the end of the year [refer note 8] | 3,915.201 | 5,726.167 |

Note: The above standalone statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of Cash Flows'.

Summary of significant accounting policies [refer note 2]

The accompanying notes are an integral part of the statement of cash flows.

As per our report of even date attached

for **Jerry, Sunny & Rajesh**

Chartered Accountants

ICAI Firm's Registration number: 001326S

Sunny Varghese

Partner

Membership No. : 028612

Place: Kochi

Date: 25 May 2024



for and on behalf of the Board of Directors of

SFS Pharma Logistics Private Limited

CIN: U63090KL2011PTC029554

Radhakrishnan T.R

Director

DIN:00086627

Place: Kochi

Date: 25 May 2024

Praveen B

Director

DIN:10156869

SFS Pharma Logistics Private Limited
Statement of changes in equity for the year ended 31 March 2024
(All amounts in Indian rupees thousands, unless otherwise stated)

A. Equity Share Capital

| Particulars | As at | | | |
|---|---------------|------------|---------------|------------|
| | 31 March 2024 | | 31 March 2023 | |
| | No. of shares | Amount | No. of shares | Amount |
| Balance at the beginning of the year | 1,000,000 | 10,000.000 | 1,000,000 | 10,000.000 |
| Changes in equity share capital during the year | - | - | - | - |
| Balance at the end of the year | 1,000,000 | 10,000.000 | 1,000,000 | 10,000.000 |

B. Other Equity

| Particulars | Reserves and surplus | Items of other comprehensive income | Total |
|--|----------------------|---|-------------|
| | Retained earnings | Remeasurements of the net defined benefit liability, net of tax | |
| Balance as at 1 April 2022 | (1,574.144) | - | (1,574.144) |
| Profit for the year [net of taxes] | 9,943.942 | - | 9,943.942 |
| Other comprehensive income for the year [net of taxes] | - | 5.652 | 5.652 |
| Total comprehensive income for the year | 9,943.942 | 5.652 | 9,949.594 |
| Transferred to retained earnings | 5.652 | (5.652) | - |
| Total contributions by and distributions to owners | 5.652 | (5.652) | - |
| Balance as at 31 March 2023 | 8,375.450 | - | 8,375.450 |
| Profit for the year [net of taxes] | 6,507.252 | - | 6,507.252 |
| Other comprehensive loss for the year [net of taxes] | - | (46.336) | (46.336) |
| Total comprehensive income for the year | 6,507.252 | (46.336) | 6,460.916 |
| Transferred to retained earnings | (46.336) | 46.336 | - |
| Total contributions by and distributions to owners | (46.336) | 46.336 | - |
| Dividend paid during the year | (7,500.000) | - | (7,500.000) |
| Total contributions by and distributions to owners | (7,500.000) | - | (7,500.000) |
| Balance as at 31 March 2024 | 7,336.366 | - | 7,336.366 |

Summary of significant accounting policies [refer note 2]

The accompanying notes are an integral part of the standalone statement of changes in equity.

As per our report of even date attached

for **Jerry, Sunny & Rajesh**
Chartered Accountants
ICAI Firm's Registration number: 001326S

Sunny Varghese
Partner
Membership No. : 028612

Place: Kochi
Date: 25 May 2024



for and on behalf of the Board of Directors of
SFS Pharma Logistics Private Limited
CIN: U63090KL2011PTC029554

Radhakrishnan T.R
Director
DIN:00086627

Place: Kochi
Date: 25 May 2024

Praveen B
Director
DIN:10156869

1 Corporate information

SFS Pharma Logistics Private Limited is a wholly owned subsidiary of Aspinwall and Company Limited. The Company is engaged in the business of logistics assistance in India and abroad for clinical trial shipments and pharma products.

The Company has its registered office at Aspinwall House, T.C.No. 24/2269 (7), Kawdiar-Kuravankonam Road, Kawdiar, Thiruvananthapuram - 695003.

2 Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013, (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 24 May 2024.

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 have been rounded-off to the nearest thousand rupees, unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for 'net defined benefit liability' which is valued at present value of defined benefit obligations.

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 on an ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i. Judgements

There are no significant judgements made in applying accounting policies that have the most material effects on the amounts recognised in the financial statements.

ii. Assumptions and estimation uncertainties

(a) Useful lives of Property, plant and equipment

Property, plant and equipment and intangible assets represent a proportion of the asset base of the Company. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of Company's assets are determined by Management at the time the asset is acquired and reviewed periodically, including each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(b) Others

Further information about assumptions and estimation of uncertainties that have significant risk of resulting in a material adjustment for the year 31 March 2024 is included in the following notes:

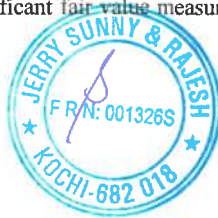
Note 23 – Deferred Tax

Note 24 – measurement of defined benefit obligations: key actuarial assumptions

2.5 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for financial assets and liabilities.

The Company has an established frame work with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Director.



2.5 Measurement of fair values (Continued)

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as interest rates, guarantee commission and pricing services are used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuation should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- i. Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ii. Level 2: inputs other than quoted prices are 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).
- iii. Level 3: Inputs for the assets or liabilities 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 input 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 categorized 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 the levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Revenue recognition

- i. **Income from services**
Incomes from services are accounted on completion of jobs.
- ii. **Other Income**
In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired).

2.7 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, wherever considered necessary. The cost of inventory is determined on weighted average basis. Cost includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition including octroi and other levies, transit insurance and receiving charges. Inventory is charged to statement of profit and loss on consumption.

2.8 Property, plant and equipment

- i. **Recognition and measurement**
Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs if any, 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.
- ii. **Transition to Ind AS**
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 3 on Ind AS 101).
- iii. **Subsequent expenditure**
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.



2.8 Property, plant and equipment (Continued)**iv. Depreciation**

Depreciation is provided on the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives prescribed in Schedule II to the Companies Act, 2013 using the Straight Line Method ('SLM').

Depreciation on additions during the year is provided for on a pro-rata basis i.e, from the date on which asset is acquired.

Depreciation on disposals is provided on a pro-rata basis i.e. upto the date on which asset is disposed off.

2.9 Financial Instruments**i. Recognition and initial measurement**

Trade receivables 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.

The Company measures a financial asset or a financial liability at its fair value. In the case of a financial asset or a financial liability measured not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are adjusted in the value of the financial asset or financial liability.

ii. Classification and subsequent measurement**(a) Financial assets**

On initial recognition, a financial asset is classified as measured at:

- Amortised cost; or
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

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 subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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. 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 losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. A financial asset is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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. These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(b) 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 at 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 profit or 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 profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.



2.9 Financial Instruments (Continued)

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.

v. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.10 Employee benefits

Employee benefits include short-term employee benefits, provident fund, superannuation fund, gratuity and compensated absences.

i. Short-term employee benefits

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. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

ii. Post employment benefits

(a) Gratuity

The Company has an obligation towards gratuity, a defined retirement benefit covering all eligible employees. It provides for a lump sum payment to vested employees as per the Payment of Gratuity Act, 1972 and is payable on the exit of the employees after completion of at least five years of service. However any exit due to death or total disability to do any gainful employment, this service minimum is ignored. The present value of this defined benefit obligation and the related current service cost are measured, using the Projected Unit Credit Method, by actuarial valuation at the balance sheet date and provided.

(b) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, a defined contribution plan, in which both employees and the Company make fixed contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

(c) Superannuation

The Company makes contributions equal to a specified percentage of the covered employee's basic salary and DA, to a fund managed by the Life Insurance Corporation of India (LIC). The Company has no further obligations beyond its contributions.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulated compensated absences is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date.

2.11 Taxation

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 or settle the liability on a net basis or simultaneously.



2.11 Taxation (Continued)

ii. Minimum Alternate Tax (MAT)

MAT paid in accordance with provisions of Income Tax Act, 1961 which gives rise to future economic benefits in the form of adjustment of future Income Tax liability, is being absorbed in the Statement of Profit and Loss and the credit is being recognised when it is probable that the future economic benefit associated with it will flow to the Company.

iii. 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 amounts 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 it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is a 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 there is convincing 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 in 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 taxable 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.

2.12 Earnings per share (EPS)

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

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

2.13 Cash flow statement

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

2.14 Cash and cash equivalents

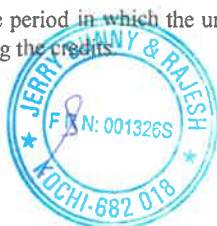
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity period of three months or less from the date of acquisition) that are readily convertible into known amounts of cash.

2.15 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.16 Goods and Service Tax ('GST') input credit

GST input credit is accounted for in the books in the period in which the underlying goods or service received is accounted and when there is reasonable certainty in availing / utilising the credits.



SFS Pharma Logistics Private Limited
Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees thousands, unless otherwise stated)

3 Property, plant and equipment

| Particulars | Plant and equipment | Furniture and fixtures | Office equipments | Total |
|------------------------------------|---------------------|------------------------|-------------------|--------------------|
| Cost | | | | |
| Balance as at 1 April 2022 | 3,306.148 | 531.708 | 495.222 | 4,333.078 |
| Additions | - | - | 86.600 | 86.600 |
| Deletions | - | - | - | - |
| Balance as at 31 March 2023 | 3,306.148 | 531.708 | 581.822 | 4,419.678 |
| Balance as at 1 April 2023 | 3,306.148 | 531.708 | 581.822 | 4,419.678 |
| Additions | - | - | 76.987 | 76.987 |
| Deletions | - | - | - | - |
| Balance as at 31 March 2024 | 3,306.148 | 531.708 | 658.809 | 4,496.665 |
| Accumulated depreciation | | | | |
| Balance as at 1 April 2022 | (1,229.243) | (157.580) | (239.774) | (1,626.597) |
| Depreciation for the year | (222.929) | (52.547) | (116.109) | (391.585) |
| Deletion | - | - | - | - |
| Balance as at 31 March 2023 | (1,452.172) | (210.127) | (355.883) | (2,018.182) |
| Balance as at 1 April 2023 | (1,452.172) | (210.127) | (355.883) | (2,018.182) |
| Depreciation for the year | (218.306) | (52.557) | (152.389) | (423.252) |
| Deletion | - | - | - | - |
| Balance as at 31 March 2024 | (1,670.478) | (262.684) | (508.272) | (2,441.434) |
| Net carrying amount | | | | |
| As at 31 March 2023 | 1,853.976 | 321.581 | 225.939 | 2,401.496 |
| As at 31 March 2024 | 1,635.670 | 269.024 | 150.537 | 2,055.231 |

Notes:

a. The company has not revalued its Property, plant and equipment during the current year and previous year.

b. There are no immovable properties whose title deeds are not held in the name of the Company as at 31 March 2024 and 31 March 2023.

4 Other financial assets
Non-current

Unsecured, considered good

Employee advances

As at
31 March 2024 As at
31 March 2023

120.407 205.403

120.407 205.403

Current

Unsecured, considered good

Security Deposits

263.390 263.390

Employee advances

146.838 123.272

Interest accrued on deposits

127.802 104.866

Contractually reimbursable expenses

747.172 1,931.688

1,285.202 2,423.216

5 Other assets
Non-current

Unsecured, considered good

Capital advance

215.000 -

215.000 -

Current

Unsecured, considered good

Balanced with Govt. Authorities

246.127 378.166

Prepaid expenses

- 27.724

Jobs in progress

79.032 679.343

Contract assets/ Advance to contractors

35.465 78.687

360.624 1,163.920



SFS Pharma Logistics Private Limited
Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees thousands, unless otherwise stated)

As at
31 March 2024 As at
31 March 2023

6 Inventories (at lower of cost and net realisable value)

| | | |
|---------------------------------------|------------------|------------------|
| Stores and spares [Packing materials] | 3,467.724 | 3,704.448 |
| Provision for obsolescence | <u>(600.000)</u> | <u>(600.000)</u> |
| | <u>2,867.724</u> | <u>3,104.448</u> |

7 Trade receivables

| | | |
|----------------------------|-------------------|------------------|
| Unsecured, considered good | 16,016.642 | 9,640.005 |
| | <u>16,016.642</u> | <u>9,640.005</u> |

The Company's exposure to credit and currency risks and allowances for credit loss related to trade receivables are disclosed in note 26.

Trade receivables ageing schedule

As at 31 March 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|--------------------|--------------|---------------|-------------------|-------------------|
| | Not due | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed | | | | | | | |
| Trade receivables considered good | 13,026.897 | 2,753.392 | 140.567 | - | 42.636 | 53.150 | 16,016.642 |
| Trade receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Trade receivables - credit impaired | - | - | - | - | - | - | - |
| Disputed | | | | | | | |
| Trade receivables considered good | - | - | - | - | - | - | - |
| Trade receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Trade receivables - credit impaired | - | - | - | - | - | - | - |
| Total | 13,026.897 | 2,753.392 | 140.567 | - | 42.636 | 53.150 | 16,016.642 |

As at 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|--|--|--------------------|--------------------|---------------|---------------|-------------------|------------------|
| | Not due | Less than 6 months | 6 months to 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Undisputed | | | | | | | |
| Trade receivables considered good | 7,512.131 | 2,010.414 | - | 43.356 | 21.329 | 52.775 | 9,640.005 |
| Trade receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Trade receivables - credit impaired | - | - | - | - | - | - | - |
| Disputed | | | | | | | |
| Trade receivables considered good | - | - | - | - | - | - | - |
| Trade receivables which have significant increase in credit risk | - | - | - | - | - | - | - |
| Trade receivables - credit impaired | - | - | - | - | - | - | - |
| Total | 7,512.131 | 2,010.414 | - | 43.356 | 21.329 | 52.775 | 9,640.005 |

As at
31 March 2024 As at
31 March 2023

8 Cash and cash equivalents

Balances with banks:

| | | |
|-----------------------|------------------|------------------|
| - In current accounts | 1,415.201 | 726.167 |
| - In deposit accounts | <u>2,500.000</u> | <u>5,000.000</u> |
| | <u>3,915.201</u> | <u>5,726.167</u> |



SFS Pharma Logistics Private Limited**Notes to the financial statements for the year ended 31 March 2024 (Continued)**

(All amounts in Indian rupees thousands, unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| 9 Equity share capital | | |
| Authorised capital | | |
| 10,00,000 [31 March 2023 - 10,00,000] equity shares of ₹ 10 each | 10,000.000 | 10,000.000 |
| | <u>10,000.000</u> | <u>10,000.000</u> |
| Issued, subscribed and paid-up capital | | |
| 10,00,000 [31 March 2023 - 10,00,000] equity shares of ₹ 10 each | 10,000.000 | 10,000.000 |
| | <u>10,000.000</u> | <u>10,000.000</u> |

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | No. of shares | Amount | No. of shares | Amount |
| Shares at the beginning of the year | 1,000,000 | 10,000.000 | 1,000,000 | 10,000.000 |
| Issued during the year | - | - | - | - |
| Number of shares at the end of the year | 1,000,000 | 10,000.000 | 1,000,000 | 10,000.000 |

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of the equity shares is entitled to one vote per share.

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 shareholders.

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

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|-----------------------------------|------------------------|-------------|------------------------|-------------|
| | No. of shares | % holding | No. of shares | % holding |
| M/s Aspinwall and Company Limited | 1,000,000 | 100% | 1,000,000 | 100% |
| | 1,000,000 | 100% | 1,000,000 | 100% |

d. Details of equity shares held by promoters

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|-----------------------------------|------------------------|-------------|------------------------|-------------|
| | No. of shares | % holding | No. of shares | % holding |
| M/s Aspinwall and Company Limited | 1,000,000 | 100% | 1,000,000 | 100% |
| | 1,000,000 | 100% | 1,000,000 | 100% |

Note

There are no changes in the shareholding of promoters during the current year as compared to the previous year.

e. Details of buyback, bonus shares, issue for consideration other than for cash for past 5 years

There were no shares allotted as fully paid up by way of bonus shares, shares issued for consideration other than for cash and shares bought back during the 5 years immediately preceding the balance sheet date.

f. All the 10,00,000 [31 March 2023 - 10,00,000] equity shares are held by the holding company - M/s Aspinwall and Company Limited and its nominees.

SFS Pharma Logistics Private Limited
Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees thousands, unless otherwise stated)

| | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|------------------------|------------------------|
| 10 Provisions | | |
| Non-current | | |
| Provision for employee benefits | | |
| - Gratuity [Unfunded] | 851.500 | 632.090 |
| - Compensated absences [Unfunded] | 549.716 | 348.021 |
| | <u>1,401.216</u> | <u>980.111</u> |
| Current | | |
| Provision for employee benefits | | |
| - Gratuity [Unfunded] | 73.000 | 61.000 |
| - Compensated absences [Unfunded] | 55.000 | 51.630 |
| | <u>128.000</u> | <u>112.630</u> |

11 Trade payables
Current

Dues of micro enterprises and small enterprises [refer note 23]

Dues of other than micro enterprises and small enterprises

| | |
|------------------|------------------|
| - | - |
| 4,791.964 | 2,538.214 |
| <u>4,791.964</u> | <u>2,538.214</u> |

The Company's exposure to liquidity risks related to trade payables is disclosed in note 26.

Trade payables ageing schedule
As at 31 March 2024

| Particulars | Outstanding for following periods from the date of transaction | | | | |
|-------------------|--|--------------|----------------|-------------------|------------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| Undisputed | | | | | |
| MSME | - | - | - | - | - |
| Others | 4,526.585 | 2.453 | 249.447 | 13.479 | 4,791.964 |
| Disputed | | | | | |
| MSME | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | <u>4,526.585</u> | <u>2.453</u> | <u>249.447</u> | <u>13.479</u> | <u>4,791.964</u> |

As at 31 March 2023

| Particulars | Outstanding for following periods from the date of transaction | | | | |
|-------------------|--|---------------|----------------|-------------------|------------------|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| Undisputed | | | | | |
| MSME | - | - | - | - | - |
| Others | 2,263.214 | 62.214 | 212.786 | - | 2,538.214 |
| Disputed | | | | | |
| MSME | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | <u>2,263.214</u> | <u>62.214</u> | <u>212.786</u> | <u>-</u> | <u>2,538.214</u> |

12 Other financial liabilities
Current

Accrued salaries and benefits

Dues to other creditors and accruals

| | |
|------------------|------------------|
| 832.422 | 1,120.924 |
| 2,628.279 | 1,626.111 |
| <u>3,460.701</u> | <u>2,747.035</u> |

13 Other liabilities
Current

Contract liabilities/ Advance from customers

Withholding taxes and statutory dues

| | |
|----------------|----------------|
| - | 7.275 |
| 167.175 | 115.308 |
| <u>167.175</u> | <u>122.583</u> |



SFS Pharma Logistics Private Limited**Notes to the financial statements for the year ended 31 March 2024 (Continued)**

(All amounts in Indian rupees thousands, unless otherwise stated)

| | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| 14 Revenue from operations | | |
| <i>Sale of services - Logistics</i> | | |
| Clearing and forwarding | 45,523.953 | 43,321.815 |
| | <u>45,523.953</u> | <u>43,321.815</u> |
| 15 Other income | | |
| Interest income on | | |
| - Bank deposits | 488.748 | 116.518 |
| - Others | - | 21.656 |
| Other non-operating income | | |
| - Liabilities/ provisions no longer required written back | 27.200 | 132.072 |
| - Exchange gain on currency fluctuations, realised and unrealised, net | 34.776 | 681.001 |
| - Miscellaneous income | 0.002 | 0.006 |
| | <u>550.726</u> | <u>951.253</u> |
| 16 Employee benefits expense | | |
| Salaries, wages and bonus | 7,324.216 | 6,296.280 |
| Contribution to provident and other funds [refer note 25] | 653.628 | 554.645 |
| Staff welfare expenses | 331.698 | 280.857 |
| | <u>8,309.542</u> | <u>7,131.782</u> |
| 17 Finance costs | | |
| Interest expenses on loan from holding company | - | 14.603 |
| Interest expenses on delayed payment of statutory dues | 7.527 | 5.447 |
| | <u>7.527</u> | <u>20.050</u> |
| 18 Depreciation expense | | |
| Depreciation on property, plant and equipment | 423.252 | 391.584 |
| | <u>423.252</u> | <u>391.584</u> |
| 19 Other expenses | | |
| Consumption of stores and spares | 1,901.706 | 2,687.423 |
| Handling expenses | 19,201.431 | 13,039.081 |
| Transporting charges | 2,988.080 | 3,255.880 |
| Power and fuel | 582.719 | 497.562 |
| Rent | 1,584.085 | 1,407.242 |
| Subscription charges | 22.314 | - |
| Repairs and maintenance | | |
| - Buildings | 79.300 | 82.036 |
| - Others | 59.783 | 113.102 |
| Legal and professional | 444.167 | 83.200 |
| Payment to auditors [refer note 20.1 below] | 150.000 | 155.000 |
| Rates and taxes | 92.052 | 60.981 |
| Communication | 55.648 | 52.664 |
| Travelling and conveyance | 696.130 | 628.401 |
| Printing and stationary | 63.643 | 53.569 |
| Credit impaired trade receivables written off | 25.324 | - |
| Provision for obsolescence of inventory | - | 300.000 |
| Miscellaneous expenses | 557.142 | 544.983 |
| | <u>28,503.524</u> | <u>22,961.124</u> |
| Note 20.1 - Payment to auditors (net of goods and services tax) includes following: | | |
| As auditor | | |
| - Statutory audit | 100.000 | 100.000 |
| - Other services | 50.000 | 50.000 |
| For reimbursement of expenses | - | 5.000 |
| | <u>150.000</u> | <u>155.000</u> |



SFS Pharma Logistics Private Limited**Notes to the financial statements for the year ended 31 March 2024 (Continued)**

(All amounts in Indian rupees thousands, unless otherwise stated)

20 Earnings per share ("EPS")

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

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Net profit for the year attributable to the equity shareholders | 6,507.252 | 9,943.942 |
| Weighted average number of equity shares | 1,000,000 | 1,000,000 |
| Par value per share [₹] | 10 | 10 |
| Earning per share - basic and diluted | 6.51 | 9.94 |

Note: There are no dilutive potential equity shares outstanding during the current year and previous year.

21 Related parties**A. Related party relationships**

Names of related parties and description of relationship with the Company:

| | |
|-----------------------------|--|
| (a) Holding Company | Aspinwall and Company Limited |
| (b) Fellow Subsidiaries | a) Aspinwall Geotech Limited b) Aspinwall Healthcare Private Limited c) Malabar Coast Marine Services Private Limited |
| (c) Non-executive directors | a) Mr. Rama Varma b) Mr. Radhakrishnan T.R c) Mr. Mohan Kurian (Till 27 April 2023) d) Mr. Praveen B (From 10 May 2023) |

Note: Related parties have been identified by the management and relied upon by the auditors

B. Related party transactions

| Nature of transaction | Name of the related party | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-------------------------------|-----------------------------|-----------------------------|
| Receipt of services | Aspinwall and Company Limited | 497.616 | 2,576.495 |
| Interest expense | Aspinwall and Company Limited | - | 14.603 |
| Dividend paid | Aspinwall and Company Limited | 7,500.000 | - |
| Recoverable expenses incurred by holding company on behalf of Company | Aspinwall and Company Limited | 143.677 | 987.379 |
| Repayment of loan availed | Aspinwall and Company Limited | - | 1,300.000 |

C. The Company has the following balances with related parties:

| Nature of transaction | Name of the related party | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------|-------------------------------|------------------------|------------------------|
| Trade payables | Aspinwall and Company Limited | 64.257 | 4.060 |

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.



SFS Pharma Logistics Private Limited
Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees thousands, unless otherwise stated)

22 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| (i) The principal amount remaining unpaid to any supplier as at the end of each accounting year. | - | - |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year. | - | - |
| (iii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| (iv) 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. | - | - |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year. | - | - |
| (vi) The amount of further interest due and payable even in the succeeding year, 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. | - | - |

23 Tax assets, liabilities and reconciliations
A. Deferred tax (asset)/ liabilities
(a) Movement in deferred tax balances for the year ended 31 March 2024

| Particulars | Balance as at 1 April 2023 | Recognised in profit or loss | Recognised in OCI | As at 31 March 2024 | | |
|-------------------------------|-------------------------------|---------------------------------|----------------------|---------------------|--------------------|------------------------|
| | | | | Net | Deferred tax asset | Deferred tax liability |
| Employee benefits * | (304.001) | (65.288) | (15.584) | (384.873) | 384.873 | - |
| Property, plant and equipment | 145.935 | (41.950) | - | 103.985 | - | 103.985 |
| Net deferred tax | (158.066) | (107.238) | (15.584) | (280.888) | 384.873 | 103.985 |

(b) Movement in deferred tax balances for the year ended 31 March 2023

| Particulars | Balance as at 1 April 2022 | Recognised in profit or loss | Recognised in OCI | As at 31 March 2023 | | |
|-------------------------------|-------------------------------|---------------------------------|----------------------|---------------------|--------------------|------------------------|
| | | | | Net | Deferred tax asset | Deferred tax liability |
| Employee benefits * | (220.748) | (85.431) | 2.178 | (304.001) | 304.001 | - |
| Property, plant and equipment | 146.336 | (0.401) | - | 145.935 | - | 145.935 |
| Net deferred tax | (74.412) | (85.832) | 2.178 | (158.066) | 304.001 | 145.935 |

* Includes provision for gratuity, provision for leave encashment and actuarial gain/ loss on remeasurment of defined benefit liability recognised in other comprehensive income.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

B. Income tax assets/ (liabilities)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Non-current | | |
| Advance tax, net of provision for tax: | 168.503 | 53.302 |
| | 168.503 | 53.302 |

C. Amount recognised in statement of profit and loss

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------------------------|-----------------------------|-----------------------------|
| Current tax | 2,313.640 | 3,889.000 |
| Current tax charge for earlier years | 117.180 | 21.418 |
| Deferred tax (credit)/ charge | (107.238) | (85.832) |
| Net tax expense | 2,323.582 | 3,824.586 |



23 Tax assets, liabilities and reconciliations (Continued)**D. Amount recognised in other comprehensive income**

| Particulars | Before tax | Tax expense | Net of tax |
|--|------------|-------------|------------|
| Year ended 31 March 2024 | | | |
| Remeasurement of defined benefit liability | (61.920) | 15.584 | (46.336) |
| | (61.920) | 15.584 | (46.336) |
| Year ended 31 March 2023 | | | |
| Remeasurement of defined benefit liability | 7.830 | (2.178) | 5.652 |
| | 7.830 | (2.178) | 5.652 |

E. Reconciliation of effective tax rate

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Profit before tax | 8,830.834 | 13,768.528 |
| Company's domestic tax rate | 25.168% | 27.82% |
| Tax using Company's domestic tax rate | 2,222.544 | 3,830.404 |
| Impact of: | | |
| Timing difference on account employee benefits expenses and depreciation | (107.238) | (85.832) |
| Current tax for prior years | 117.180 | 21.418 |
| Others | 91.096 | 58.596 |
| Income tax expense | 2,323.582 | 3,824.586 |

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (Year ended 31 March 2023 - 27.82%) payable by corporate entities in India on taxable profits under Indian tax law.

24 Employee benefits

I. The employee benefit schemes are as under:

(a) Defined contribution plan

The Company makes contributions towards provident fund for qualifying employees. An amount of ₹ 343.055 thousand (31 March 2023 - ₹ 299.894 thousand) has been recognised and included in 'Contribution to provident and other funds' in the statement of profit and loss on account of provident fund.

The Company has recognised ₹ 141.083 thousand (31 March 2023: ₹ 123.961 thousand) for superannuation contribution in the standalone statement of profit and loss.

(b) Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded and an amount of ₹ 169.490 thousand (31 March 2023: ₹ 130.810 thousand) has been recognised and included in "Contribution to provident and other funds" in the statement of profit and loss on account of provision.

II. The following tables sets out the particulars of the employee benefits as required under the Ind AS 19-"Employee Benefits".

i) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Gratuity are as follows:

| Particulars | As at 31 March 2024 | | As at 31 March 2023 | |
|--|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Present value of obligation | Net defined benefit liability | Present value of obligation | Net defined benefit liability |
| Opening balance | 693.090 | 693.090 | 570.110 | 570.110 |
| Current service cost | 120.280 | 120.280 | 95.460 | 95.460 |
| Interest costs | 49.210 | 49.210 | 35.350 | 35.350 |
| Total amount recognised in profit and loss | 169.490 | 169.490 | 130.810 | 130.810 |
| <i>Remeasurements</i> | | | | |
| (Gain)/ loss from assumption changes | 14.180 | 14.180 | (34.290) | (34.290) |
| Experience (gains)/ losses | 47.740 | 47.740 | 26.460 | 26.460 |
| Total amount recognised in other comprehensive income | 61.920 | 61.920 | (7.830) | (7.830) |
| Benefits paid | - | - | - | - |
| Closing balance | 924.500 | 924.500 | 693.090 | 693.090 |



SFS Pharma Logistics Private Limited**Notes to the financial statements for the year ended 31 March 2024 (Continued)**

(All amounts in Indian rupees thousands, unless otherwise stated)

24 Employee benefits (Continued)**ii) Actuarial assumptions:**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

| Particulars | Gratuity | | Compensated absences | |
|------------------------------|---------------|---------------|----------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Discount rate | 6.90% | 7.10% | 6.90% | 7.10% |
| Salary escalation rate (p.a) | 8% | 8% | 8% | 8% |
| Attrition rate | 10% | 10% | 10% | 10% |

Discount rate: The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.

Salary escalation rate: The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate: Attrition rate indicated above represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation (gratuity) by the amounts shown below.

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---------------|----------|---------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Effect of 1% change in the assumed discount rate | (67.240) | 76.980 | (50.670) | 58.020 |
| Effect of 1% change in the assumed salary growth rate | 75.540 | (67.300) | 57.050 | (50.800) |
| Effect of 1% change in the assumed attrition rate | (7.570) | 8.250 | (5.210) | 5.630 |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iv) Maturity profile of defined benefit obligation

Expected cash flows

| Particulars | Gratuity | |
|--------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Year 1 | 75.640 | 63.490 |
| Year 2 | 86.780 | 67.260 |
| Year 3 | 84.320 | 86.040 |
| Year 4 | 83.500 | 91.680 |
| Year 5 | 83.090 | 105.670 |
| Year 6 to 10 | 380.420 | 760.390 |

As at 31 March 2024, the weighted average duration of the defined benefit obligation was 5 years.



25 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 2024

| Particulars | Carrying value | | | Fair value | | | |
|---|-------------------|---------------------------------------|-------------------|------------|---------|---------|-------|
| | Amortised cost | Financial assets/liabilities at FVTPL | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets not measured at fair value | | | | | | | |
| Trade receivables | 16,016.642 | - | 16,016.642 | - | - | - | - |
| Cash and cash equivalents | 3,915.201 | - | 3,915.201 | - | - | - | - |
| Other financial assets | 1,405.609 | - | 1,405.609 | - | - | - | - |
| | 21,337.452 | - | 21,337.452 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | |
| Trade payables | 4,791.964 | - | 4,791.964 | - | - | - | - |
| Other financial liabilities | 3,460.701 | - | 3,460.701 | - | - | - | - |
| | 8,252.665 | - | 8,252.665 | - | - | - | - |

31 March 2023

| Particulars | Carrying value | | | Fair value | | | |
|---|-------------------|---------------------------------------|-------------------|------------|---------|---------|-------|
| | Amortised cost | Financial assets/liabilities at FVTPL | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets not measured at fair value | | | | | | | |
| Trade receivables | 9,640.005 | - | 9,640.005 | - | - | - | - |
| Cash and cash equivalents | 5,726.167 | - | 5,726.167 | - | - | - | - |
| Other financial assets | 2,628.619 | - | 2,628.619 | - | - | - | - |
| | 17,994.791 | - | 17,994.791 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | |
| Trade payables | 2,538.214 | - | 2,538.214 | - | - | - | - |
| Other financial liabilities | 2,747.035 | - | 2,747.035 | - | - | - | - |
| | 5,285.249 | - | 5,285.249 | - | - | - | - |

* The fair value of trade receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

B Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future developments of the business. The Company is focused on maintaining a strong equity base to ensure independence, security as well as financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company.

The Company's debt to equity ratio at the reporting date are as follows:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------------|------------------------|------------------------|
| Total liabilities | 9,949.056 | 6,500.573 |
| Less: Cash and cash equivalents | (3,915.201) | (5,726.167) |
| Net debt (A) | 6,033.855 | 774.406 |
| Total equity (B) | 17,336.366 | 18,375.450 |
| Debt to equity ratio (A/B) | 0.35 | 0.04 |

There are no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.



25 Financial instruments (continued)**C Financial risk management**

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

- (i) Credit risk;
- (ii) Liquidity risk; and
- (iii) Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of directors oversee how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in liquid mutual funds.

The carrying amount of following financial assets represents the maximum credit exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers based on which the Company agrees on the credit terms with customers in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

| Allowance for credit loss | As at 31 March 2024 | As at 31 March 2023 |
|----------------------------|------------------------|------------------------|
| Balance at the beginning | - | 47.736 |
| Impairment loss recognised | 25.324 | - |
| Amounts written off | (25.324) | (47.736) |
| Balance at the end | - | - |

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is by ensuring, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds.



25 Financial instruments (continued)**C Financial risk management (Continued)****(ii) Liquidity risk (Continued)****Exposure to liquidity risk**

The contractual undiscounted cash flows associated with financial liabilities at reporting dates are as follows:

| 31 March 2024 | Contractual cash flows | | | | | |
|------------------------------|------------------------|------------------|--------------------|-----------|-----------|-------------------|
| | Carrying amount | Total | Less than one year | 1-2 years | 2-5 years | More than 5 years |
| Financial liabilities | | | | | | |
| Trade payables | 4,791.964 | 4,791.964 | 4,791.964 | - | - | - |
| Other financial liabilities | 3,460.701 | 3,460.701 | 3,460.701 | - | - | - |
| | 8,252.665 | 8,252.665 | 8,252.665 | - | - | - |

| 31 March 2023 | Contractual cash flows | | | | | |
|------------------------------|------------------------|------------------|--------------------|-----------|-----------|-------------------|
| | Carrying amount | Total | Less than one year | 1-2 years | 2-5 years | More than 5 years |
| Financial liabilities | | | | | | |
| Trade payables | 2,538.214 | 2,538.214 | 2,538.214 | - | - | - |
| Other financial liabilities | 2,747.035 | 2,747.035 | 2,747.035 | - | - | - |
| | 5,285.249 | 5,285.249 | 5,285.249 | - | - | - |

The gross (inflows)/ outflows disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities

(iii) Market risk

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

As of now, the Company has not entered into any sort of derivative contracts, in order to manage market risks.

(a) Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of company is INR. The currencies in which these transactions are primarily denominated are USD, GBP, EURO and CAD.

The summary quantitative data about the Company's exposure to currency risk at the end of reporting period expressed in INR are as follows:

As at 31 March 2024

| Particulars | USD | GBP | EURO | CAD |
|--|------------------|---------------|----------------|----------------|
| Financial assets | | | | |
| Trade receivables | 5,566.603 | - | - | - |
| Other financial assets | 519.129 | - | - | - |
| Net exposure to foreign currency risk (assets) | 6,085.732 | - | - | - |
| Financial liabilities | | | | |
| Trade payables | 474.142 | 31.096 | 504.937 | 294.826 |
| Net exposure to foreign currency risk (liabilities) | 474.142 | 31.096 | 504.937 | 294.826 |



SFS Pharma Logistics Private Limited
Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees thousands, unless otherwise stated)

25 Financial instruments (continued)
C Financial risk management (Continued)
(iii) Market risk (Continued)
(a) Foreign currency risk (Continued)

As at 31 March 2023

| Particulars | USD | GBP | EURO | CAD |
|--|------------------|----------------|----------------|---------------|
| Financial assets | | | | |
| Trade receivables | 8,102.504 | - | - | - |
| Other financial assets | 561.903 | - | - | - |
| Net exposure to foreign currency risk (assets) | 8,664.407 | - | - | - |
| Financial liabilities | | | | |
| Trade payables | 839.603 | 294.362 | 234.009 | 32.576 |
| Net exposure to foreign currency risk (liabilities) | 839.603 | 294.362 | 234.009 | 32.576 |

Sensitivity analysis

| Particulars | Impact on profit or (loss) | | Impact on equity, net of tax | |
|---------------------------|----------------------------|------------------------|------------------------------|------------------------|
| | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2024 | As at 31 March 2023 |
| USD sensitivity | | | | |
| INR/USD - increase by 1% | 56 | 78 | 40 | 56 |
| INR/USD - decrease by 1% | (56) | (78) | (40) | (56) |
| GBP sensitivity | | | | |
| INR/GBP - increase by 1% | (*) | (3) | (*) | (2) |
| INR/GBP - decrease by 1% | * | 3 | * | 2 |
| EURO sensitivity | | | | |
| INR/EURO - increase by 1% | (5) | (2) | (4) | (1) |
| INR/EURO - decrease by 1% | 5 | 2 | 4 | 1 |
| CAD sensitivity | | | | |
| INR/CAD - increase by 1% | (3) | (*) | (2) | (*) |
| INR/CAD - decrease by 1% | 3 | (*) | 2 | (*) |

I. Assets

| Particulars | Foreign currency | As at 31 March 2024 | | | As at 31 March 2023 | | |
|-------------|---------------------|---------------------|----------------------------------|---------------------------------|---------------------|----------------------------------|---------------------------------|
| | | Exchange rate | Amount in foreign currency | Amount in INR (In thousands) | Exchange rate | Amount in foreign currency | Amount in INR (In thousands) |
| Unhedged | USD | 82.9425 | 73,373 | 6,085.732 | 81.7250 | 106,019 | 8,664.407 |

II. Liabilities

| Particulars | Foreign currency | As at 31 March 2024 | | | As at 31 March 2023 | | |
|-------------|---------------------|---------------------|----------------------------------|---------------------------------|---------------------|----------------------------------|---------------------------------|
| | | Exchange rate | Amount in foreign currency | Amount in INR (In thousands) | Exchange rate | Amount in foreign currency | Amount in INR (In thousands) |
| Unhedged | USD | 83.6950 | 5,665 | 474.142 | 82.5125 | 10,175 | 839.603 |
| | GBP | 106.1300 | 293 | 31.096 | 102.6725 | 2,867 | 294.362 |
| | EURO | 90.8200 | 5,560 | 504.937 | 90.1875 | 2,595 | 234.009 |
| | CAD | 61.8750 | 4,765 | 294.826 | 61.2325 | 532 | 32.576 |

(b) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates to debt availed from holding company .



SFS Pharma Logistics Private Limited
Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees thousands, unless otherwise stated)

26 Disclosure of ratios
(a) Current ratio

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-----------------------------|------------------------|------------------------|
| Total current assets | 24,445.393 | 22,057.756 |
| Total current liabilities | 8,547.840 | 5,520.462 |
| Current ratio | 2.86 | 4.00 |
| % change from previous year | (29%) | 138% |

Reason for change more than 25%

The decrease in current ratio as at the end of current year as compared to the previous year is mainly on account of increase in current liabilities in the form of trade payables and dues to other creditors, whereas as at the end of previous year, the ratio was higher as compared to the preceeding previous year mainly on account of increase in current assets in the form of trade receivables and bank balances.

(b) Debt to equity ratio

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Total liabilities | 9,949.056 | 6,500.573 |
| Less: Cash and cash equivalents | (3,915.201) | (5,726.167) |
| <i>Net debt</i> | <i>6,033.855</i> | <i>774.406</i> |
| <i>Total equity</i> | <i>17,336.366</i> | <i>18,375.450</i> |
| Debt to equity ratio | 0.35 | 0.04 |
| % change from previous year | 775% | (96%) |

Reason for change more than 25%

The increase in ratio as the end of current year as compared to previous year is mainly on account of increase in liabilities in the form of trade payables and dues to other creditors, whereas during the previous year the decrease in ratio as compared to the preceeding previous year is mainly on account of increase in cash and bank balances coupled with profits earned during the period.

(c) Return on equity ratio

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Profit after tax | 6,507.252 | 9,943.942 |
| Opening balance of equity | 18,375.450 | 8,425.856 |
| Closing balance of equity | 17,336.366 | 18,375.450 |
| <i>Average equity</i> | <i>17,855.908</i> | <i>13,400.653</i> |
| Return on equity ratio | 36.44% | 74.20% |
| % change from previous year | (51%) | (52%) |

Reason for change more than 25%

The decrease in return on equity ratio during the current year as compared to the previous year is mainly on account of lower profits earned during the current year, whereas the decrease in return on equity ratio during the previous year as compared to the preceeding previous year is mainly on account of increase in equity balances due to higher profits earned.

(d) Trade receivables turnover ratio

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Revenue from operations | 45,523.953 | 43,321.815 |
| Net trade receivables | 16,016.642 | 9,640.005 |
| Trade receivables turnover ratio | 2.84 | 4.49 |
| % change from previous year | (37%) | (44%) |

Reason for change more than 25%

The decrease in trade receivables turnover ratio as at the end of current year and previous is mainly on account of higher trade receivable balances as compared with the respective previous year end.



26 Disclosure of ratios (Continued)**(e) Trade payables turnover ratio**

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------------------------|-----------------------------|-----------------------------|
| Expenses | 28,386.148 | 22,600.143 |
| Trade payables | 4,791.964 | 2,538.214 |
| Trade payables turnover ratio | 5.92 | 8.90 |
| % change from previous year | (33%) | 76% |

Reason for change more than 25%

The decrease in trade payables turnover ratio as at the end of current year as compared with the previous year end is mainly on account of higher trade payable balances, whereas the increase in trade payables turnover ratio as at the end of previous year as compared to the preceeding previous year is mainly on account of lower trade payable balances as compared with the preceeding previous year end.

(f) Net capital turnover ratio

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-----------------------------------|-----------------------------|-----------------------------|
| Revenue from operations | 45,523.953 | 43,321.815 |
| Total current assets | 24,445.393 | 22,057.756 |
| Total current liabilities | (8,547.840) | (5,520.462) |
| <i>Net working capital</i> | <i>15,897.553</i> | <i>16,537.294</i> |
| Net capital turnover ratio | 2.86 | 2.62 |
| % change from previous year | 9% | (63%) |

Reason for change more than 25%

The decrease in net capital turnover ratio for the previous year as compared to the preceeding previous year is mainly on account of higher current asset balances as at the end of previous year (trade receivables and cash and cash equivalents).

(g) Net profit ratio

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-----------------------------|-----------------------------|-----------------------------|
| Profit after tax | 6,507.252 | 9,943.942 |
| Revenue from operations | 45,523.953 | 43,321.815 |
| Net profit ratio | 14.29% | 22.95% |
| % change from previous year | (38%) | 20% |

Reason for change more than 25%

The decrease in net profit ratio for the current year as compared to the previous year is on account of reduction in profit for the current year as compared to previous year.

(h) Return on capital employed

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Profit before tax | 8,830.834 | 13,768.528 |
| Finance costs | 7.527 | 20.050 |
| Other income | (550.726) | (951.253) |
| <i>Earnings before interest and tax</i> | <i>8,287.635</i> | <i>12,837.325</i> |
| Total equity | 17,336.366 | 18,375.450 |
| <i>Capital employed</i> | <i>17,336.366</i> | <i>18,375.450</i> |
| Return on capital employed | 47.80% | 69.86% |
| % change from previous year | (32%) | (30%) |

Reason for change more than 25%

The decrease in return on capital employed for the current year as compared to the previous year is on account of reduction in profits earned, whereas during the previous period the ratio has decreased as compared to the preceeding previous period due to higher profits earned during the previous period coupled with increase in capital employed.



SFS Pharma Logistics Private Limited

Notes to the financial statements for the year ended 31 March 2024 (Continued)

(All amounts in Indian rupees thousands, unless otherwise stated)

27 Dividends

The Board of Directors in their meeting held on 18 March 2024 have declared an interim dividend of ₹ 7.50/- per equity share of ₹ 10/- each for the year ended 31 March 2024.

28 As at 31 March 2024 and 31 March 2023, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

29 Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached

for **JERRY, SUNNY & RAJESH**

Chartered Accountants

ICAI Firm's Registration number: 001326S

Sunny Varghese

Partner

Membership No. : 028612

Place: Kochi

Date: 25 May 2024



for and on behalf of the Board of Directors of

SFS Pharma Logistics Private Limited

CIN: U63090KL2011PTC029554

Radhakrishnan T.R

Director

DIN:00086627

Place: Kochi

Date: 25 May 2024

Praveen B

Director

DIN:10156869