

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALIVIRA ANIMAL HEALTH LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ALIVIRA ANIMAL HEALTH LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2015 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the



operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

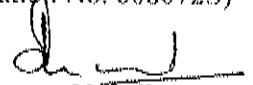
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and



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- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



V. Srikumar
Partner

(Membership No. 84494)

BANGALORE, April 24, 2015

VS/VBA/JKS/2015



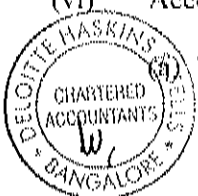
ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/activities/results during the year, clause (vi) and (viii) of paragraph 3 of the Order is not applicable to the Company.

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) The receipts of principal amounts and interest have been regular.
 - (b) There is no overdue amount in excess of Rs 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) According to the information and explanations given to us, in respect of statutory dues:

The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess

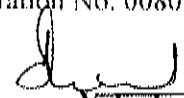


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and other material statutory dues applicable to it with the appropriate authorities and there are few delays in depositing Service Tax, Employee State Insurance and Income Tax.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes.
- (d) There are no amounts which are required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- (viii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)


V. Srikumar
Partner

(Membership No. 84494)

BANGALORE, April 24, 2015




Alivira Animal Health Limited
BALANCE SHEET AS AT 31 MARCH 2015

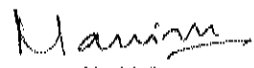
	Note No.	As at 31 March 2015 (Rs. In Million)	As at 31 March 2014 (Rs. In Million)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1,473.10	200.50
(b) Reserves and surplus	3	690.38	(1.48)
		2,163.48	199.02
2 Share application money pending allotment	25.9	-	180.00
3 Non-current liabilities			
(a) Long-term borrowings	4	1,237.50	500.00
(b) Long-term provisions	5	11.80	-
		1,249.30	500.00
4 Current liabilities			
(a) Short-term borrowings	6	239.80	-
(b) Trade payables	7	516.50	4.40
(c) Other current liabilities	8	108.21	1.30
(d) Short-term provisions	9	1.21	-
		855.72	5.70
TOTAL		4,268.50	884.72
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10 A	1,741.81	-
(ii) Intangible assets	10 B	254.63	-
(iii) Capital work in-progress		110.34	55.91
(iv) Intangible assets under development		194.40	-
(b) Non-current investments	11	311.01	-
(c) Long-term loans and advances	12	69.34	439.24
(d) Other non-current assets	13	10.14	7.50
		2,691.67	502.65
2 Current assets			
(a) Inventories	14	183.50	-
(b) Trade receivables	15	420.02	-
(c) Cash and cash equivalents	16	73.65	156.29
(d) Short-term loans and advances	17	946.15	225.59
(e) Other current assets	18	3.51	0.19
		1,576.83	382.07
TOTAL		4,268.50	884.72

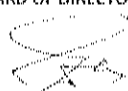
See accompanying notes forming part of the financial statements.

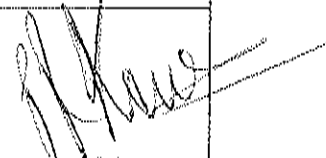
In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants



V. Sri Kumar
Partner

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

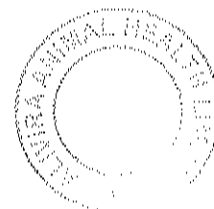

Manish Gupta
Managing Director & Chief
Executive Officer


Dr. Gautam Kumar Das
Joint Managing Director


P. R. Kannan
Chief Financial
Officer


Sini P. G.
Company Secretary

Bengaluru, April 24, 2015




Allvira Animal Health Limited
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2015


	Note No.	Year ended 31 March 2015 (Rs. in Million)	For the period 30 September 2013 to 31 March 2014 (Rs. in Million)
1			
Revenue from operations (gross)	19	1,219.77	-
Less: Excise duty		3.53	-
Revenue from operations (net)		<u>1,216.24</u>	-
2			
Other income	20	141.11	11.45
3			
Total revenue		<u>1,357.35</u>	<u>11.45</u>
4			
Expenses			
(a) Cost of materials consumed	21 a	225.28	-
(b) Purchases of stock-in-trade	21 b	697.11	-
(c) Changes in inventories of finished goods and work-in-progress	21 c	(66.97)	-
(d) Employee benefits expense	22	79.74	-
(e) Finance costs	23	65.45	-
(f) Depreciation and amortization expense	10 C	58.35	-
(g) Other expenses	24	343.97	12.52
Total expenses		<u>1,402.93</u>	<u>12.52</u>
5			
Profit/(Loss) before tax (3-4)		<u>(45.58)</u>	<u>(1.07)</u>
6			
Tax expense:			
Current tax expense		-	0.41
			<u>0.41</u>
7			
Profit/(Loss) for the year (5 - 6)		<u>(45.58)</u>	<u>(1.48)</u>
8			
Earnings per share (of Rs.10 each):	26 5		
Basic and Diluted		(1.54)	(0.10)

See accompanying notes forming part of the financial statements

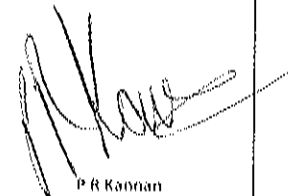
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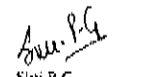
FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


V. Sri Kumar
Partner


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Managing Director &
Chief Executive Officer


Dr. Gautam Kumar Das
Joint Managing Director


P. R. Kannan
Chief Financial
Officer


Sini P. G.
Company Secretary

Bengaluru, April 24, 2015



Alivira Animal Health Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Year ended 31 March 2015 (Rs. in Million)	For the period 30 September, 2013 to 31 March, 2014 (Rs. in Million)
Cash flow from operating activities		
Net Loss before tax	(45.58)	(1.07)
Adjustments for:		
Depreciation and amortisation expense	56.55	-
Provision for doubtful trade receivables	1.64	-
Decrease/increase loss/(gain) net	7.73	-
Interest expenses	50.15	-
Dividend income	(1.97)	-
Interest income	(129.05)	(11.45)
Profit on sale of current investments	(10.04)	-
Operating profit before working capital changes	(74.30)	(17.52)
Changes in working capital		
(Increase)/decrease in trade and other receivables	(315.78)	(30.84)
(Increase)/decrease in inventories	(125.95)	-
Increase/(decrease) in trade and other payables	467.12	4.58
Net change in working capital	(74.21)	(26.26)
Cash generated from operations	(148.51)	(38.70)
Direct taxes (paid)/refund	(5.96)	(0.73)
Net cash generated from operating activities	(154.47)	(39.43)
Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(825.39)	(487.03)
Acquisition of Undertaking (Refer Note 29)	(422.11)	-
Investment in subsidiary	(311.01)	-
Purchase of mutual funds	(980.00)	-
Redemption of mutual funds	992.01	-
Loan given to holding company	(1,040.83)	(710.56)
Loan received back from holding company	457.26	1.63
Interest received	128.47	17.76
Net cash generated from investing activities	(2,006.60)	(684.70)
Cash flow from financing activities		
Proceeds from short term borrowings (net)	229.80	-
Proceeds from long term borrowings	737.50	500.00
Proceeds from issue of equity shares	25.55	200.50
Proceeds from issue of compulsorily convertible preference shares	1,174.06	-
Interest paid on borrowings (including borrowing cost capitalised to the net assets) (Refer Note 26.3)	(138.00)	-
Share application money received pending allotment	-	180.00
Net cash generated from financing activities	2,028.43	880.50
Net increase/(decrease) in cash and cash equivalents during the year	(132.64)	156.29
Cash and cash equivalents at the beginning of the year	156.29	156.29
Cash and cash equivalents at the end of the year	23.65	156.29
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	23.65	156.29
Net Cash and cash equivalents at the end of the year	23.65	156.29

See accompanying notes forming part of the financial statements.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V. Srikumar
Partner

Manish Gupta
Manish Gupta
Managing Director &
Chief Executive Officer

Dr Gautam Kumar Das
Dr Gautam Kumar Das
Joint Managing Director

P.R Kannan
P.R Kannan
Chief Financial Officer

Sini P G
Sini P G
Company Secretary

Bangalore, April 24, 2015



Note

1 Significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of Alivira Animal Health Limited ('the Company') have been prepared, in accordance with Generally Accepted Accounting principles in India (Indian GAAP), to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements have been prepared on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous period.

1.2 Tangible fixed assets

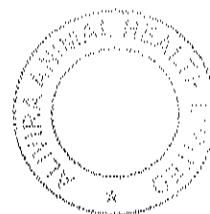
Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprise its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than the subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets to the date the asset is ready for its intended use. Exchange differences arising on restatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.



Note

1.4 Depreciation/amortisation

Depreciation is provided under the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Nature of the assets	Useful life in years
Plant and Machinery	10
Leasehold land	Over lease period of 33 years

Intangible assets are amortised under the straight line method over the useful life of assets as follows:

Intellectual property rights	5 Years
Software	3 Years
Marketing rights	5 Years
Goodwill	5 Years

The estimated useful life of the intangible assets and its amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

1.5 Impairment of assets

As at each Balance Sheet date, the carrying amount of fixed assets is tested for impairment if impairment conditions exist. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

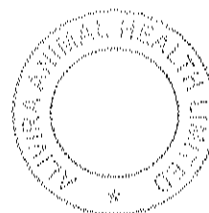
- (a) in the case of an individual asset, at the higher of the net selling price and value in use.
- (b) in the case of cash generating units, at the higher of the unit's net selling price and the value in use.

Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.

1.6 Investments

Current investments are carried at lower of cost and fair market value. Provision is made to recognize decline, if any, in the carrying value.

Long-term investments are carried individually at cost less provision for diminution, other than temporary in the value of the investment.



Note

1.7 Inventory

Inventories comprise raw materials, packing materials, consumables, work in process, intermediates and finished goods. These are valued at the lower of cost and net realizable value. Cost is determined on First in First out basis as follows:

(i) Raw materials, packing materials and consumables

At purchase cost including other cost incurred in bringing materials/consumables to their present location and condition.

(ii) Work in process and Intermediates

At material cost, conversion costs and appropriate share of production overheads.

(iii) Finished goods

At material cost, conversion costs and an appropriate share of production overheads and excise duty, wherever applicable.

1.8 Revenue recognition

Revenue from export sales is recognized when significant risks and rewards of ownership is transferred on the basis of the shipping bills for exports. Revenue from domestic sales is recognized based on the transfer of significant risks and rewards of ownership which generally coincides with dispatch. Sales include excise duty and are stated net of discounts, other taxes, and sales returns.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on an accrual basis.

Income from rendering support services is recognised as and when services are rendered, based on contractual terms.

The Company provides corporate guarantee to its subsidiary and charges a commission for providing such guarantees. Such incomes are accrued in terms of the agreements with the parties.

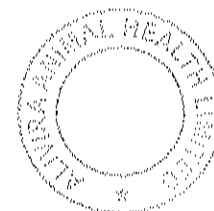
Export incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty of receiving the same.

1.9 Employee benefits

Short term employee benefits like provident fund, medical, leave travel, employee state insurance scheme, etc. are accrued based on the terms of employment when services are rendered by the employees and charged as an expense to the statement of profit and loss.

Leave balances standing to the credit of the employees that are expected to be availed in the short term are provided for on full cost basis. Liability for unavailed leave considered to be long term is carried based on an actuarial valuation carried out at the end of financial year.

Gratuity expenses for the year are accounted based on actuarial valuation carried out using Projected Unit Credit Method as at the end of the fiscal year. The scheme is unfunded. The obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.



Note

1.10 Foreign currency transactions

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates. Non monetary items of the Company are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

Accounting of forward contracts

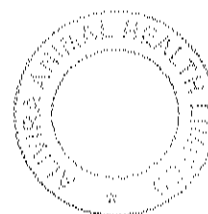
Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

1.11 Taxes on income

Income Tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year.

Deferred tax assets and liabilities are recognized for the future tax consequences arising out of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates applicable on the Balance Sheet date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their reliability.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Indian Income Tax Act, 1961.



Note

1.12 Leases

Lease arrangements, where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are classified as operating leases and the lease rentals thereon are recognised in the statement of profit and loss on a straight line basis.

1.13 Earnings per share (EPS)

In determining the Earnings per share, the Company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the year. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless issued at a later date.

1.14 Provisions and contingencies

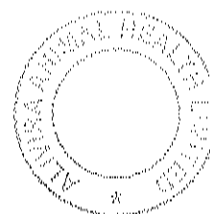
A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized but are disclosed in the notes to financial statements.

1.15 Use of estimates

The preparation of the financial statements in conformity with the Accounting Standards generally accepted in India requires that the Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in preparation of financial statement are prudent and reasonable. Actual results could differ from those estimates and the estimates are recognised in the period in which the results are known/materialise.

1.16 Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system. The Company prepares consolidated financial statements and segment information is disclosed in Consolidated financial statements.



Note

1.17 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

1.18 Cash flow statement

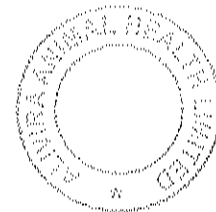
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.19 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.20 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.



Note 2 Share capital

	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	Rs. in Million	No. of Shares	Rs. in Million
(a) Authorised				
Equity shares of Rs. 10 each	38,000,000	380.00	30,050,000	300.50
Compulsorily convertible preference shares of Rs.100 each	12,000,000	1,200.00	-	-
(b) Issued				
Equity shares of Rs. 10 each	29,864,165	298.64	20,050,000	200.50
Compulsorily convertible preference shares of Rs.100 each	11,744,580	1,174.46	-	-
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each	29,864,165	298.64	20,050,000	200.50
Compulsorily convertible preference Shares of Rs.100 each	11,744,580	1,174.46	-	-
Total		1,473.10		200.50

Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

(a) Equity Shares	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	Rs. in Million	No. of Shares	Rs. in Million
Shares outstanding at the beginning of the year	20,050,000	200.50	-	-
Add: Shares issued during the year	9,814,165	98.14	20,050,000	200.50
Shares outstanding at the end of the year	29,864,165	298.64	20,050,000	200.50

(b) Compulsorily convertible preference shares	As at 31 March 2015		As at 31 March 2014	
	No. of Shares	Rs. in Million	No. of Shares	Rs. in Million
Shares outstanding at the beginning of the period	-	-	-	-
Add: Shares issued during the year	11,744,580	1,174.46	-	-
Shares outstanding at the end of the year	11,744,580	1,174.46	-	-

- (ii) Terms/rights attached shares

(a) Equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Compulsorily convertible preference shares

The Company has only one class of preference share of Rs. 100 each. Preference shares shall be compulsorily convertible into equity shares on or before completion of 10 years from the date of allotment i.e. April 16, 2014. Preference Shareholders shall not have any voting rights except as provided under Section 47 of the Companies Act, 2013. These Preference shares would carry a cumulative preferential dividend of 0.001% per annum and shall have priority over payment of dividends or repayment of capital against equity shareholders of the Company.

Preference Shareholders shall not have any rights to participate in surplus assets and profits on winding-up after the entire capital has been re-paid. In the event of liquidation of the Company, these Preference Shares shall be converted into equity shares.

Arrears of fixed cumulative dividend on preference shares as at 31 March 2015 is Rs.0.01 Million (31 March 2014 Rs. Nil)

- (iii) Details of shares held by the holding company

Equity Shares	As at 31 March 2015	As at 31 March 2014
Sequent Scientific Limited, the holding company	27,450,000	20,050,000

- (iv) Details of shares held by each shareholder holding more than 5% shares

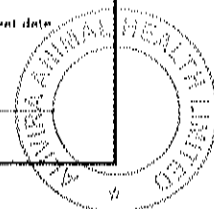
(a) Equity Shares	As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Sequent Scientific Limited, the holding company	27,450,000	91.92%	20,050,000	100%
Devnam capital LLP	2,114,165	7.08%	-	-

(b) Compulsorily convertible preference Shares

Name of the shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Unit Trust of India Investment Advisory Services Limited A/c Ascent India Fund III	11,744,580	100%	-	-

- (v) Aggregate number of shares allotted as fully paid pursuant to contract without payment of cash for a period of 5 years immediately preceding the balance sheet date (Refer Note 28):

Equity shares	As at 31 March 2015	As at 31 March 2014
	2,400,000	-



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Alivira Animal Health Limited
Notes forming part of the financial statements

As at
31 March 2015 **As at**
31 March 2014
(Rs. in Million) (Rs. in Million)

Note 3 Reserves and surplus

(a) Securities premium account

Opening balance	-	-
Add: Premium on shares issued during the year	737.44	-
Closing balance	737.44	-

(b) Surplus/(Deficit) in statement of profit and loss

Opening balance	(1.48)	-
Add: Loss for the year/ period	(45.58)	(1.48)
Closing balance	(47.06)	(1.48)
Total	690.38	(1.48)

Note 4 Long-term borrowings

Term loans

Secured		
From other parties	1,237.50	500.00
Total	1,237.50	500.00

Term loans from Export and Import Bank of India:

(i) Security:

First charge on the entire fixed assets of the Company including immovable properties both present and future, second charge over current assets of the Company both present and future, unconditional and irrevocable corporate guarantee of Sequent Scientific Limited to the extent of the shareholding in the Company.

Personal guarantee of director Mr Arun Kumar Pillai to the extent of Rs.50 Crores.

First charge / assignment on all intangibles assets of the Company.

(ii) Terms of repayment:

Repayable in 26 equal quarterly instalments, commencing from August 2016.

(iii) The interest on above term loan from other parties are linked to the respective lender's base rates which are floating in nature.

Note 5 Long term provisions

Provision for employee benefits

(i) Provision for gratuity	5.91	-
(ii) Provision for compensated absences	5.89	-
Total	11.80	-



Alivira Animal Health Limited
Notes forming part of the financial statements

As at As at
31 March 2015 **31 March 2014**
(Rs. in Million) (Rs. in Million)

Note 6 Short-term borrowings

Loans repayable on demand

Secured

From banks

229.80

Total

229.80

- (i) Working capital loan from banks are secured by a first pari-passu charge on current assets of the Company, both present and future, a second pari-passu charge on fixed assets of the Company and unconditional irrevocable corporate guarantee of Sequent Scientific Limited and Shasun Pharmaceuticals Limited.

- (ii) The Company has not defaulted in repayment of loans and interest.

Note 7 Trade payables

Trade payable

516.50

4.40

Total

516.50

4.40

Note 8 Other current liabilities

(a) Interest accrued and due on borrowings

(b) Other payables

(i) Statutory remittances

(ii) Payables on purchase of fixed assets

(iii) Advances from customers

(iv) Other current liabilities

0.71

13.67

87.54

6.50

0.50

Total

108.21

1.30

Note 9 Short-term provisions

Provision for employee benefits

(a) Gratuity

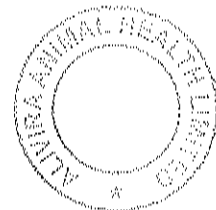
(b) Compensated absences

0.27

0.94

Total

1.21



Alivira Animal Health Limited
Notes forming part of the financial statements

Note 10 A Tangible assets

Particulars	[Rs. in Million]									
	Gross block					Accumulated depreciation			Net block	
	Balance as on 01 April 2014	Additions	Assets acquired under slump sale [Refer Note 29]	Borrowing cost capitalised [Refer Note 26.3]	Balance as on 31 March 2015	Balance as on 01 April 2014	Depreciation / amortisation expense for the year	Balance as on 31 March 2015	Balance as on 31 March 2015	Balance as at 31 March 2014
Own assets										
Lease hold land	-	397.52	18.62	33.28	389.42	-	10.41	10.41	379.01	-
Building	-	442.74	24.40	11.76	478.90	-	5.91	5.91	472.99	-
Furniture and fixtures	-	3.99	0.57	0.30	4.86	-	0.24	0.24	4.62	-
Office equipments	-	4.94	0.53	0.29	5.76	-	0.59	0.59	5.17	-
Computers	-	4.31	1.62	0.39	6.32	-	0.88	0.88	5.44	-
Plant and machinery	-	858.42	1.52	38.48	898.42	-	26.53	26.53	871.89	-
Vehicles	-	2.85	0.18	-	3.03	-	0.34	0.34	2.69	-
Total	-	1,654.77	47.44	84.50	1,786.71	-	44.90	44.90	1,741.81	-
Previous period	-	-	-	-	-	-	-	-	-	-

Note 10 B Intangible assets

Particulars	[Rs. in Million]									
	Gross block					Accumulated depreciation			Net block	
	Balance as on 01 April 2014	Additions	Assets acquired under slump sale [Refer Note 29]	Borrowing cost capitalised [Refer Note 26.3]	Balance as on 31 March 2015	Balance as on 01 April 2014	Depreciation / amortisation expense for the year	Balance as on 31 March 2015	Balance as on 31 March 2015	Balance as at 31 March 2014
Own assets / Acquired										
Software	-	-	0.19	-	0.19	-	0.08	0.08	0.11	-
Intellectual property rights	-	57.00	-	-	57.00	-	5.68	5.68	51.32	-
Marketing rights	-	-	180.00	-	180.00	-	11.84	11.84	168.16	-
Goodwill	-	-	37.51	-	37.51	-	2.47	2.47	35.04	-
Total	-	57.00	217.70	-	274.70	-	20.07	20.07	254.63	-
Previous period	-	-	-	-	-	-	-	-	-	-

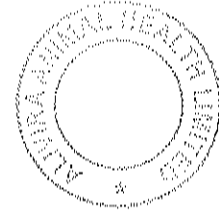
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Allvira Animal Health Limited

Notes forming part of the financial statements

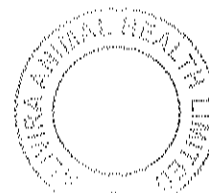
	Year ended 31 March 2015	For the period 30 September 2013 to 31 March 2014
	(Rs. in Million)	(Rs. in Million)
Note 10 C Depreciation and amortisation		
Depreciation and amortisation for the year on tangible assets as per Note 10 A	44.90	-
Depreciation and amortisation for the year on intangible assets as per Note 10 B	20.07	-
Less: Depreciation capitalised	6.62	-
Depreciation and amortisation	58.35	-



Alivira Animal Health Limited	As at	As at
Notes forming part of the financial statements	31 March 2015	31 March 2014
	(Rs. in Million)	(Rs. in Million)
Note 11 Non-current investments		
Trade investments (valued at cost unless stated otherwise)		
<i>Investment in equity instruments of subsidiaries</i>		
Alivira Animal Health Limited, Ireland	311.01	-
3,980,650 (31 March 2014: Nil) Equity Shares of EURO 1 each fully paid-up		
Total	311.01	-
Aggregate amount of unquoted investments	311.01	-
Note 12 Long-term loans and advances		
(Unsecured, considered good)		
(a) Capital advances	53.28	431.83
(b) Security deposits	3.82	0.28
(c) Advance income tax (net of provisions Rs.0.41 Million (31 March 2014 Rs.0.41 Million))	6.68	0.72
(d) Prepaid expenses	5.56	6.41
Total	69.34	439.24
Note 13 Other non-current assets		
(Unsecured, considered good)		
Deposits	10.14	7.50
Total	10.14	7.50
Note 14 Inventories		
(At lower of cost and net realisable value)		
(a) Raw materials and packing materials	53.07	-
Goods-in transit	17.45	-
	71.12	-
(b) Work-in-progress and intermediates (Refer note (i) below)	39.03	-
(c) Finished goods	71.66	-
Goods-in transit	1.44	-
	73.10	-
(d) Fuel	0.25	-
Total	183.50	-
Note:		
(i) Details of inventory of work-in-progress and intermediates:		
Bulk drugs	38.21	-
Formulations	0.82	-
	39.03	-



Allvira Animal Health Limited Notes forming part of the financial statements	As at 31 March 2015 (Rs. in Million)	As at 31 March 2014 (Rs. in Million)
Note 15 Trade receivables		
(Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Other trade receivables		
Considered good	420.02	-
Considered doubtful	1.64	-
	<u>421.66</u>	<u>-</u>
Less: Provision for doubtful debts	1.64	-
	<u>420.02</u>	<u>-</u>
Total	<u><u>420.02</u></u>	<u><u>-</u></u>
Note 16 Cash and cash equivalents		
(a) Cash on hand	0.24	-
(b) Cheques, drafts on hand	3.38	"
(c) Balances with banks		
In current accounts	14.85	68.04
In deposit accounts	5.18	88.25
	<u>23.65</u>	<u>156.29</u>
Total - Cash and cash equivalents	<u><u>23.65</u></u>	<u><u>156.29</u></u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	23.65	156.29
Note 17 Short-term loans and advances		
(Unsecured, considered good)		
(a) Loans and advances to related parties (refer note below)	892.76	208.93
(b) Advances to suppliers	8.22	0.03
(c) Advances to employees	0.94	-
(d) Balances with government authorities	39.45	-
(e) Prepaid expenses	4.78	16.63
	<u>946.15</u>	<u>225.59</u>
Total	<u><u>946.15</u></u>	<u><u>225.59</u></u>
Note:		
Short term loans and advances include amounts due from:		
Sequent Scientific Limited	892.76	208.93
	<u>892.76</u>	<u>208.93</u>
Note 18 Other current assets		
(a) Interest accrued on deposits	0.77	0.19
(b) Claims receivable	2.74	-
	<u>3.51</u>	<u>0.19</u>
Total	<u><u>3.51</u></u>	<u><u>0.19</u></u>



Alivra Animal Health Limited
Notes forming part of the financial statements

Year ended
31 March 2015
(Rs. in Million)

For the period
30 September 2013
to 31 March 2014
(Rs. in Million)

Note 19 Revenue from operations

(a) Sale of products (Refer Note (i) below)	1,126.61	-
(b) Other operating revenues (Refer Note (ii) below)	93.16	-
	1,219.77	-

Less: Excise Duty	3.53	-
Total	1,216.24	-

(i) **Sale of products comprises:**

(a) **Manufactured goods**

Bulk drugs	112.64	-
Formulations	118.07	-
Total - Sale of manufactured goods	230.71	-

(b) **Traded goods**

Bulk drugs	813.10	-
Formulations	79.27	-
Total - Sale of traded goods	892.37	-

Add: Excise duty	3.53	-
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Total - Sale of products	1,216.61	-
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(ii) **Other operating revenues comprises:**

Sale of scrap	0.39	-
Sale of Import licences	2.68	-
Duty drawback and other export incentives	7.42	-
Charges for support services rendered	75.12	-
Reimbursement of expenses	2.50	-
	5.05	-
Total - Other operating revenues	93.16	-

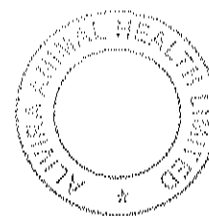
Note 20 Other income

(a) Interest Income (Refer note (i) below)	129.05	11.45
(b) Profit on sale of current investments	10.04	-
(c) Dividend income	1.97	-
(d) Other non-operating income	0.05	-

Total	141.11	11.45
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(i) **Interest income comprises:**

Interest from banks on deposits	4.19	0.85
Interest on loans and advances to holding company	124.83	10.60
Other interest	0.03	-
Total	129.05	11.45



Allivira Animal Health Limited
Notes forming part of the financial statements

Year ended
31 March 2015
(Rs. in Million)

For the period
30 September 2013
to 31 March 2014
(Rs. in Million)

Note 21.a Cost of materials consumed

Opening stock	-	-
Add: Purchases	283.96	-
Add: Included on purchase of Veterinary formulation business(Refer note 29)	12.44	-
less: Closing stock	71.12	-
Cost of materials consumed	225.28	-

Materials consumed comprises:

Solvents	27.09	-
Chemicals	198.19	-
Total	225.28	-

Note 21.b Purchases of stock-in-trade

Purchases of stock-in-trade	697.11	-
Total	697.11	-

Purchases of stock-in-trade comprises:

Bulk drugs	656.08	-
Formulations	41.03	-
Total	697.11	-

Note 21.c Changes in inventories of finished goods and work-in-progress

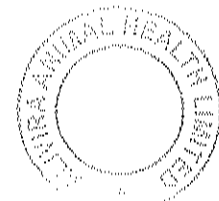
Opening stock	-	-
Add: Included on purchase of Veterinary formulation business (Refer note 29)	-	-
Work-in-progress and intermediates	13.98	-
Finished goods	31.18	-
	45.16	-
Closing stock	-	-
Work-in-progress and intermediates	39.03	-
Finished goods	73.10	-
	112.13	-
Net (increase) / decrease	(66.97)	-

Note 22 Employee benefits expense

Salaries and wages	67.28	-
Contributions to provident fund and other funds	2.99	-
Gratuity	3.46	-
Staff welfare expenses	6.01	-
Total	79.74	-

Note 23 Finance costs

Interest expense on borrowings	50.12	-
Other borrowing costs	15.33	-
Total	65.45	-



Note 25 Additional information to the financial statements

Note

25.1 Contingent liabilities and commitments

(i) Contingent liabilities

Particulars	As at 31 March 2015 Rs. in Million	As at 31 March 2014 Rs. in Million
(a) Guarantees		
Guarantees to banks and financial institutions against credit facilities extended to subsidiaries (Refer note below)	647.81	-
(b) Other money for which the Company is contingently liable		
Bills receivables discounted with banks*	65.32	-
Arrears of cumulative preference dividend	0.01	-

* Outflow, if any, would depend on party not honouring the bill on due date and the company's further legal right.

Note

The Company has given a corporate guarantee to Export Import Bank of India towards a credit facility availed by its wholly owned subsidiary (Alivira Animal Health Limited, Ireland) amounting to USD 11 Million (Previous period Nil). The outstanding balance as on 31 March 2015 is USD 10.35 Million (INR 647.81 Million) (31 March 2014 Nil). Further, the above loan availed by the subsidiary is secured by first pari-passu charge on entire fixed assets of the Company both present and future.

(ii) Commitments

As at 31 March 2015
Rs. in Million

As at 31 March 2014
Rs. in Million

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

Tangible fixed assets

46.23

(b) The Company has given a letter of support to its wholly owned subsidiary Alivira Animal Health Limited, Ireland to continue to assist in whatever manner that it can to financially support the operations and cash flow requirements of the subsidiary for the foreseeable future.

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

Particulars	As at 31 March 2015 Rs. in Million	As at 31 March 2014 Rs. in Million
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.08	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	0.08	-
(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	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors which have been relied upon by the auditors.

25.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others:

Name of the party	Relationship	As at 31 March 2015 Rs. in Million	Maximum balance outstanding during the year Rs. in Million
Sequent Scientific Limited	Holding Company	892.76 (208.93)	1,338.56 (213.28)

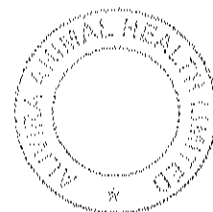
Note: Figures in bracket relate to the previous period.

25.4 Details on derivatives instruments and unhedged foreign currency exposures

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015

Currency	Amount in US \$ in Million	Buy / Sell	Cross currency
USD	2.03 (-)	Sell	Rupees

Note: Figures in brackets relate to the previous period



(ii) The year and foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Foreign currency	As at 31 March 2015		As at 31 March 2014	
	Receivable/ (Payable) Rs. in Million	Receivable/ (Payable) in Foreign currency in Million	Receivable/ (Payable) Rs. in Million	Receivable/ (Payable) in Foreign currency in Million
Euro	18.78	0.28	-	-
USD	223.98	3.58	-	-
Euro	(3.47)	(0.05)	-	-
USD	(72.06)	(1.35)	-	-
CHF	(0.75)	(0.01)	-	-

25.5 Value of imports calculated on CIF basis

Particulars	Year ended 31 March 2015 Rs. in Million	For the period 30 September 2013 to 31 March 2014 Rs. in Million
Raw materials	20.97	-
Capital goods	5.46	-

25.6 Expenditure in foreign currency

Particulars	Year ended 31 March 2015 Rs. in Million	For the period 30 September 2013 to 31 March 2014 Rs. in Million
Legal and professional fees	4.09	2.05
Travelling and conveyance	1.50	-
Sales commission	7.27	-
Analytical charges	0.54	-
Advertisement and selling expenses	3.49	-

25.7 Details of consumption of imported and indigenous items

Particulars	Year ended 31 March 2015		For the period 30 September 2013 to 31 March 2014	
	Rs. in Million	%	Rs. in Million	%
Raw material				
Imported	18.36	8%	-	-
Indigenous	206.91	92%	-	-
Total	225.28	100%	-	-

25.8 Earnings in foreign exchange

Particulars	Year ended 31 March 2015 Rs. in Million	For the period 30 September 2013 to 31 March 2014 Rs. in Million
Sale of products	825.01	-
Other operating income	82.67	-

25.9 Share application money pending allotment

The Company has received Rs. Nil (31 March 2014 Rs.180 Million towards share application money towards allotment of 2,114,165 equity shares of the Company at a premium of Rs.75.14 per share).



Note 26 Disclosures under Accounting Standards

26.1 Employee benefit plans

26.1.a Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.2.99 Million (Year ended 31 March 2014 Rs. Nil) for Provident Fund contributions and Rs.0.12 Million (Year ended 31 March 2014 Rs. Nil) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

26.1.b Defined benefit plans

The Company has a defined Gratuity benefit plan. The following table summarizes the components of net employee benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

Particulars	Year ended 31 March 2015 Rs. in Million	For the period 30 September 2013 to 31 March 2014 Rs. in Million
Components of employer expense		
Current service cost	0.52	-
Interest cost	0.10	-
Actuarial losses/(gains)	2.84	-
Total expense recognised in the Statement of Profit and Loss	3.46	-

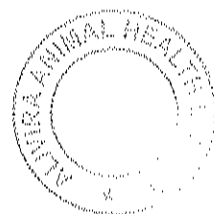
Actual contribution and benefit payments for year		
Actual benefit payments	-	-
Actual contributions	-	-

Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	6.18	-
Net asset / (liability) recognised in the Balance Sheet	(6.18)	-

Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	-	-
Current service cost	0.52	-
Interest cost	0.10	-
Liability on acquisition of Business under Stump sale	2.72	-
Actuarial (gains) / losses	2.84	-
Benefits paid	-	-
Present value of DBO at the end of the year	6.18	-

Particulars	Year ended 31 March 2015	For the period 30 September 2013 to 31 March 2014
Actuarial assumptions		
Discount rate	7.85%	-
Salary escalation	12.00%	-
Attrition	12.00%	-
Mortality tables	I/ALM (2006-08)	-

Experience adjustments	2014-15	2013-14
Experience (gain) / loss adjustments on plan liabilities	2.84	-



Notes

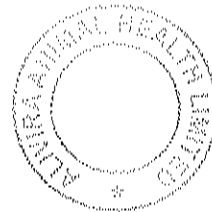
1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
3. Since the Company was incorporated on 30 September 2013, it has carried out actuarial valuation from current year and hence experience adjustments are given only for current year.

26.1.c

Actuarial assumptions for long-term compensated absences	Year ended 31 March, 2015	For the period 30 September 2013 to 31 March 2014
Discount rate	7.85%	-
Salary escalation	12.00%	-
Attrition	12.00%	-
Mortality tables	IAAM (2006-08)	-

Notes

1. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
2. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



Allvira Animal Health Limited
Notes forming part of the financial statements

26.2 **Related Party Disclosures:**

A List of related parties:

i) Holding company:

Sequent Scientific Limited

ii) Wholly-owned subsidiaries:

Alivira Animal Health Limited, Ireland (Refer Note 2 below)

iii) Other subsidiaries:

Provet Veterinerer Urunleri San. Ve Tic. A. S. (step down subsidiary of Alivira Animal Health Limited, Ireland) (Refer Note 3 below)

iv) Fellow subsidiaries

SeQuent Research Limited

SeQuent Penems Private Limited

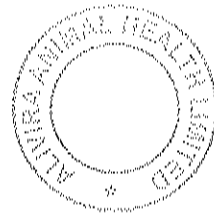
v) Key Management Personnel

Mr. Manish Gupta, Chief Executive Officer & Managing Director (w.e.f 26 March 2014)

Dr. Gautam Kumar Das, Joint Managing Director (w.e.f 30 September 2013)

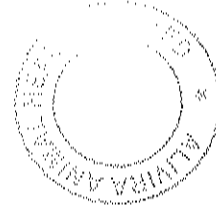
Note:

1. Related parties are as identified by the Company and relied upon by the Auditors.
2. Alivira Animal Health Limited, Ireland was incorporated on 1 September 2014
3. Alivira Animal Health Limited, Ireland acquired Provet Veterinerer Urunleri San. Ve Tic. A. S. on 3 November 2014



Alivra Animal Health Limited
Notes forming part of the financial statements
B. Transactions for the year

Nature of Transactions	Holding Company		Wholly Owned Subsidiaries		Other Subsidiaries		Selfow Subsidiaries		Key Management Personnel	
	Year Ended 31 March 2015	For the period 30 September 2013 to 31 March 2014	Year Ended 31 March 2015	For the period 30 September 2013 to 31 March 2014	Year Ended 31 March 2015	For the period 30 September 2013 to 31 March 2014	Year Ended 31 March 2015	For the period 30 September 2013 to 31 March 2014	Year Ended 31 March 2015	For the period 30 September 2013 to 31 March 2014
(i) Sale of material/services Sequent Scientific Limited Provet Veterinary Products Ltd, St	21.06	-	-	-	-	-	-	-	-	-
(ii) Interest and other income Sequent Scientific Limited	124.83	10.50	-	-	-	-	-	-	-	-
(iii) Expenses paid Sequent Scientific Limited	228.22	-	-	0.21	-	-	-	-	-	-
(iv) Purchase of materials/Consumables Sequent Scientific Limited	754.40	-	-	-	-	-	-	-	-	-
(v) Purchase of fixed assets Sequent Scientific Limited Sequent Perisols Private Limited	1.55	-	-	-	-	-	0.13	-	-	-
(vi) Purchase of intellectual property rights Sequent Scientific Limited	251.42	-	-	-	-	-	-	-	-	-
(vii) Managerial remuneration Dr. Goudam Kumar Des Mr. Manish Gupta	-	-	-	-	-	-	-	-	2.55 3.41	-
(viii) Reimbursement of expenses from Alivra Animal Health Limited, Ireland	-	-	2.50	-	-	-	-	-	-	-
(ix) Analytical charges Sequent Research Limited	-	-	-	-	-	-	1.31	-	-	-
(x) Rental expense Sequent Scientific Limited	0.31	0.09	-	-	-	-	-	-	-	-
(xi) Charges received for support services rendered Alivra Animal Health Limited, Ireland	-	-	75.12	-	-	-	-	-	-	-
(xii) Guarantee commission received Alivra Animal Health Limited, Ireland	-	-	5.65	-	-	-	-	-	-	-
(xiii) Loans/advances given by Company Sequent Scientific Limited	1,340.83	210.56	-	-	-	-	-	-	-	-
(xiv) Loans/advances repaid to the company Sequent Scientific Limited	452.23	1.54	-	-	-	-	-	-	-	-



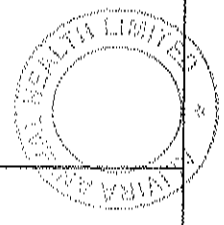
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Alvira Animal Health Limited
Notes forming part of the financial statements
B. Transactions for the year

Nature of Transactions	Holding Company						Wholly Owned Subsidiaries		Other Subsidiaries		Fellow Subsidiaries		Key Management Personnel			
	Year Ended 31 March 2015		For the period 30 September 2013 to 31 March 2014		Year Ended 31 March 2015		For the period 30 September 2013 to 31 March 2014		Year Ended 31 March 2015		For the period 30 September 2013 to 31 March 2014		Year Ended 31 March 2015		For the period 30 September 2013 to 31 March 2014	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014		
(ixv) Loans/advances received Sequent Perenns Private Limited																
(ixvi) Investment during the year Alvira Animal Health Limited, Ireland																
(ixvii) Corporate Guarantees given Alvira Animal Health Limited, Ireland																
(ixviii) Corporate Guarantees received Sequent Scientific Limited	1,032.60	500.50														
(ixix) Purchase of Veterinary Formulation business on slump sale basis Sequent Scientific Limited	422.11	-														
(x) Amount collected on behalf of the Company by Sequent Scientific Limited	71.51	-														
(xi) Amount paid on behalf of the Company by Sequent Scientific Limited	22.70	-														
(xii) Transactions carried out by Sequent Scientific Limited on behalf of the Company Sales	22.55	-														
Purchases / expenses	30.26	-														
(xiii) Equity shares subscribed/allotted Sequent Scientific Limited	-	200.50														

C. Balance as at Balance Sheet date

Nature of Transactions	Holding Company		Wholly Owned Subsidiaries		Other Subsidiaries		Fellow Subsidiaries		Key Management Personnel			
	Year Ended 31 March 2015		For the period 30 September 2013 to 31 March 2014		Year Ended 31 March 2015		For the period 30 September 2013 to 31 March 2014		Year Ended 31 March 2015		For the period 30 September 2013 to 31 March 2014	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014		
(E) Debtors balance Sequent Scientific Limited Alvira Animal Health Limited, Ireland Provet Veterinaries (Ukraine) Tzr.Ltd.Sz	24.42	-	92.56	-	0.05	-	-	-	-	-	-	-
(F) Advance receivable Sequent Scientific Limited	992.76	208.95										
(G) Payable Sequent Perenns Private Limited												
(H) Creditors balance Sequent Scientific Limited Sequent Research Limited	311.85	-										



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Note

26.3 Details of borrowing costs capitalised

Particulars	Year ended 31 March 2015 Rs. in Million	For the period 30 September 2013 to 31 March 2014 Rs. in Million
Borrowing costs capitalised during the year		
- as fixed assets / intangible assets / capital work-in-progress	88.76	0.71
	88.76	0.71

26.4 Details of leasing arrangements

The Company's significant leasing arrangement is mainly in respect of factory building, office premises and guest house; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is Rs.5.77 Million. (Previous period: Rs. 0.14 Million)

The Company has entered in to non-cancellable lease arrangement for its facilities and office premises, the tenure of lease ranges upto 33 years. Details of lease commitments are given below:

Particulars	As at 31 March 2015 Rs. in Million	As at 31 March 2014 Rs. in Million
not later than one year	4.55	-
later than one year and not later than five years	18.19	-
later than five years	122.77	-

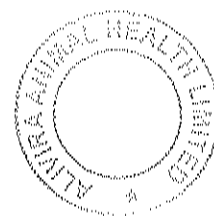
26.5 Earnings per share

Particulars	Year ended 31 March 2015 Rs. in Million except no. of shares	For the period 30 September 2013 to 31 March 2014 Rs. in Million except no. of shares
Net profit / (loss) for the year as per statement of profit and loss	(45.58)	(1.48)
Less: Cumulative preference dividend	0.01	-
Net profit / (loss) for the year attributable to the equity shareholders	(45.59)	(1.48)
Weighted average number of equity shares	29,591,174	15,241,257
Par value per share Rs.	10	10
Earnings / (Loss) per share - Basic and diluted	(1.54)	(0.10)

26.6 Deferred tax (liability) / asset

Particulars	As at 31 March 2015 Rs. in Million	As at 31 March 2014 Rs. in Million
Tax effect of items constituting deferred tax (liability)		
Depreciation	(56.09)	-
Tax effect of items constituting deferred tax (liability)	(56.09)	-
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation carried forward	43.44	-
Others	12.65	-
Tax effect of items constituting deferred tax assets	56.09	-
Net deferred tax (liability) / asset	-	-

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.



Alivira Animal Health Limited
Notes forming part of the financial statements

Note

27 Transfer pricing

In respect of Transfer pricing regulations under Section 92 to 92F of the Indian Income Tax Act, 1961, the Management confirms that its international transactions and Specified Domestic Transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for tax.

28 Joint venture agreement and Slump sale agreement

During the previous period, the Company, Sequent Scientific Limited, holding company and Shasun Pharmaceuticals Limited entered into a joint venture agreement to develop, manufacture and sell veterinary products inclusive of both API (Active Pharmaceutical Ingredient) and formulations in the global market.

In line with the Joint Venture Agreement on 7 March 2014, the Company executed a Slump Sale Agreement with Shasun Pharmaceuticals Limited for purchase of Vizag facility of Shasun Pharmaceuticals Limited for a consideration of Rs.900 Million. On 11 April 2014, on completion of conditions precedent to the Slump sale agreement, Shasun Pharmaceuticals Limited has transferred its Vizag facility to the Company. The Company had paid consideration of Rs.269.96 Million in cash and the balance consideration of Rs.630.04 Million by issue of 7,400,000 equity shares having face value of Rs.10 per share at a premium of Rs.75.14 per share to Shasun Pharmaceuticals Limited. The assets which were in progress at the time of acquisition have been capitalised during the year as and when the assets are ready for its intended use.

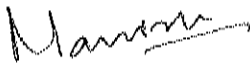
On 31 March 2015, Sequent Scientific Limited, Shasun Pharmaceuticals Limited and the Company, entered into Share Purchase Agreement through which Sequent Scientific Limited has purchased entire 7,400,000 shares of the Company held by Shasun Pharmaceuticals Limited.

29 During the year, the Company purchased the Veterinary Formulation Division of its holding company, Sequent Scientific Limited on a slump sale basis for a total consideration of Rs. 422.11 million. The details of assets and liabilities taken over are given below:

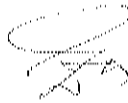
Particulars	Rs. in Million
Tangible fixed assets	47.44
Capital work-in-progress	34.87
Intangible assets	217.70
Other current liabilities	(3.78)
Inventories	57.60
Trade receivables	116.24
Short term loans and advances	26.42
Long-term provisions	(2.71)
Trade payables	(71.67)
Total	422.11

30 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Previous period's figures are from 30 September 2013 to 31 March 2014 and hence are not directly comparable with the current year's figures.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Manish Gupta
Managing Director and Chief Executive Officer



Dr. Gautam Kumar Das
Joint Managing Director



P. R. Kannan
Chief Financial Officer



Sini P. G.
Company Secretary

Bangalore, April 24, 2015

