

**LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)**

**Balance Sheet As At 31st March 2021**

All amounts are in Mexican Peso

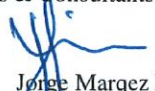
Particulars	Notes	As at 31st Mar 2021	As at 31st Mar 2020
<b>A ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	8,135,094	9,682,510
(b) Financial Assets			
(i) Others	4	163,272	154,957
(c) Deferred tax assets (net)	5	54,930	43,842
(d) Other non-current assets	6	504,275	499,732
<b>Total non-current assets</b>		<b>8,857,571</b>	<b>10,381,041</b>
<b>2. Current assets</b>			
(a) Inventories	7	11,995,906	15,509,335
(b) Financial Assets			
(i) Trade receivables	8	7,574,279	8,193,189
(ii) Cash and cash equivalents	9	3,343,969	1,015,389
(c) Other current assets	10	5,567,958	3,426,892
<b>Total current assets</b>		<b>28,482,112</b>	<b>28,144,805</b>
<b>Total assets</b>		<b>37,339,683</b>	<b>38,525,846</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	11	6,110,000	6,110,000
(b) Other Equity		8,234,941	1,571,878
<b>Total equity</b>		<b>14,344,941</b>	<b>7,681,878</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liabilities	27	6,133,572	7,608,654
		<b>6,133,572</b>	<b>7,608,654</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	12	14,994,711	21,918,336
(ii) Lease Liabilities	27	1,475,082	1,233,020
(b) Other current liabilities	13	76,284	83,958
<b>Total current Liabilities</b>		<b>16,861,170</b>	<b>23,235,314</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,339,683</b>	<b>38,525,846</b>

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

As per our report of event date

**HLB LEÓN TELLO GARCÍA Y ASOCIADOS, S.C..**

Auditors & Consultants



Jorge Marqez Licea

Place : Queretaro, Mexico

Date : May 27, 2021

**HLB Querétaro**  
**León Tello García y Asociados SC**  
**LTG080207TP5**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Eusebi Vila Viña  
Director



Ramon Vila Viña  
Director

**LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)**

**Profit And Loss for the Year Ended 31st March 2021**

**All amounts are in Mexican Peso**

Particulars		Notes	Year ended 31 Mar 2021	Year ended 31 Mar 2020
<b>I</b>	Revenue From Operations	14	78,068,025	67,455,365
<b>II</b>	Other Income	15	60	1,746
<b>III</b>	<b>Total Income (I+ II)</b>		<b>78,068,085</b>	<b>67,457,111</b>
<b>IV</b>	<b>EXPENSES</b>			
(a)	Cost of materials consumed	16	50,218,817	46,098,838
(b)	Changes in inventories of finished goods and work-in-progress & intermediates	17	4,033,806	(1,021,998)
(c)	Employee benefits expense	18	7,051,825	8,334,745
(d)	Finance costs	19	341,712	337,484
(e)	Depreciation and amortization expense	20	1,619,177	2,979,088
(f)	Other expenses	21	6,306,587	12,571,172
	<b>Total expenses (IV)</b>		<b>69,571,923</b>	<b>69,299,328</b>
<b>V</b>	<b>Profit/(loss) before tax</b>		<b>8,496,162</b>	<b>(1,842,217)</b>
<b>VI</b>	<b>Tax expense</b>	22		
	Current tax		1,844,187	1,016,157
	Deferred tax		(11,088)	(15,872)
	<b>Total tax expenses</b>		<b>1,833,098</b>	<b>1,000,285</b>
<b>VII</b>	<b>Profit after tax</b>		<b>6,663,063</b>	<b>(2,842,501)</b>
<b>VIII</b>	Earnings per equity share:	23		
	(1) Basic		1,092.31	(465.98)
	(2) Diluted		1,092.31	(465.98)

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

As per our report of event date

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**HLB Querétaro**  
**León Tello García y Asociados SC**  
**LTG080207TP5**

Place : Querétaro, Mexico

Date : May 27, 2021




**Eusebi Vila Viña**  
**Director**


**Ramon Vila Viña**  
**Director**

**LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)**  
**Statement of cash flows for the period ended 31 March, 2021**  
**All amounts are in Mexican Peso**

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Cash flow from Operating Activities :</b>		
Profit/(Loss) before tax	8,496,162	(1,842,217)
<b>Adjustments for:</b>		
Add:- Interest	341,712	337,484
Add: Depreciation	1,619,177	1,666,111
Add: Provision for Bad debt		
<b>Operating profit before working capital changes</b>	<b>10,457,050</b>	<b>161,378</b>
<b>Change in working Capital</b>		
<b>Increase (-)/Decrease(+) in Current Asset</b>		
Inventories	3,513,428	(1,159,216)
Trade receivables	618,910	565,754
Loans	(8,315)	(8,575)
Other current assets	(2,493,548)	2,021,951
<b>Increase (+)/Decrease(-) in Current Liabilities</b>		
Trade payables	(6,923,625)	20,357
Other current liabilities	(7,675)	18,168
<b>Net change in working capital</b>	<b>(5,300,824)</b>	<b>1,458,439</b>
<b>Cash generated from operations</b>	<b>5,156,226</b>	<b>1,619,817</b>
Direct taxes (paid)/refund	(1,189,950)	(587,408)
<b>Net cash generated from operating activities</b>	<b>3,966,276</b>	<b>1,032,410</b>
	A	
<b>Cash Flow from Investing activities</b>		
Purchase of fixed assets	(71,761)	(311,981)
Dividend paid to Share holders	-	(221,598)
Sale of Investment		
<b>Net cash used in investing activities</b>	<b>(71,761)</b>	<b>(533,579)</b>
	B	
<b>Cash flow from Financing activities</b>		
Borrowings during the period		
Repayment of principal portion of Lease liability (IND AS 116) (Loan given to)/ repaid by related parties	(1,224,223)	(1,061,990)
Finance cost	(341,712)	(337,484)
<b>Net cash used in investing activities</b>	<b>(1,565,936)</b>	<b>(1,399,474)</b>
	C	
<b>Net increase/(decrease) in cash and cash equivalents during the period</b>	<b>2,328,580</b>	<b>(900,643)</b>
	(A+B+C)	
<b>Opening Cash &amp; cash equivalent at the beginning of the period</b>	<b>1,015,389</b>	<b>1,916,032</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,343,969</b>	<b>1,015,389</b>
<b>Reconciliation of cash and cash equivalents with the Balance sheet</b>		
Cash on hand	12,000	21,000
Balances with banks	3,331,969	994,389
<b>Cash and cash equivalents as per Balance Sheet</b>	<b>3,343,969</b>	<b>1,015,389</b>

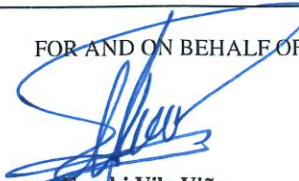
The accompanying notes are an integral part of the financial statements.

As per our report of event date  
**HLB LEÓN TELLO GARCÍA Y ASOCIADOS, S.C.**  
Auditors & Consultants

  
Jorge Marquez Licea  
Place : Querétaro, Mexico  
Date : May 27, 2021

**HLB Querétaro**  
**León Tello García y Asociados SC**  
**LTG080207TP5**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
Eusebi Vila Viña  
Director

  
Ramon Vila Viña  
Director

## LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)

### Notes forming part of the financial statements

#### Note

##### 1 Legal status and principal activities

Laboratorios Karizoo sa de cv ("The Company"), incorporated in Mexico, specialized in animal health, offers a vademécum of pharmacological injectables, oral solutions and proprietary medicated premixes that are distributed throughout the country.

Laboratorios Karizoo, sa de cv is 50% subsidiary company of Laboratorios Karizoo, sa., and 50% Subsidiary of Vila Vina Participacions S.L., both located in Barcelona (Spain), dedicated to the manufacture and distribution of animal health and nutrition products.

##### 2 Significant accounting policies

###### 2.1 Changes in accounting policies and disclosures:

###### New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2019, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

###### Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the full retrospective method of adoption, with the date of initial application on 1 April 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

###### 2.2 Basis of accounting and preparation of financial statements

The Financial Statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at revalued amounts.

The financial statements of Laboratorios Karizoo sa de cv ('the Company') have been prepared, in accordance with with the Accounting policies and standards in Mexico. The Financial Statements have been prepared on accrual basis.

Effective 1 June 2016, Alivira Animal Health Limited, Ireland (step down subsidiary of Sequent Scientific Limited) acquired stake of 60% in Vila Vina Participacions SL which is the holding company of Laboratorios Karizoo SA.

The financial statements are prepared for the period 1 April 2019 to 31 March 2020 for the purpose of consolidation with its ultimate holding Company 'Sequent Scientific Limited'



### 2.3 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 is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### 2.4 Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

### 2.5 Depreciation

Depreciation is provided under the straight-line method based on the useful lives:

Nature of Asset	Useful life in periods (range)
Plant and Machinery	2 -25
Office Equipment	3 - 10
Vehicles	2 - 8
Furniture and Fixtures	5 - 15



## 2.6 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial period even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten periods from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## 2.7 Inventory

Inventories comprises of raw materials and finished goods. These are valued at the lower of cost and net realizable value. Cost is determined on First in First out basis.

(i) Raw materials & packing material :

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

(ii) Work in process, intermediates & Finished goods :

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

## 2.8 Revenue recognition

The Group presents revenue net of indirect taxes in its Statement of Profit and Loss.

### Sale of goods

Revenue from sale of products is presented in the income statement within Revenue from operations. The Group presents revenue net of indirect taxes in its statement of profit and loss. Sale of products comprise revenue from sales of products, net of sales returns, and of customer discounts.

Revenue is recognised when it is probable that future economic benefits will flow to the Company and these benefits can be measured reliably. Further, revenue recognition requires that all significant risks and rewards of ownership of the goods included in the transaction have been transferred to the buyer, and that Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Performance obligations are satisfied at one point in time, typically on delivery. Revenue is recognized when the Company transfers control over the product to the customers; control of a product refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, that asset. The majority of revenue earned by the Company is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

Sales are measured at the fair value of consideration received or receivable. The amounts of rebates/incentives is estimated and accrued on each of the underlying sales transactions recognised. Returns and customer discounts are recognized in the period in which the underlying sales are recognized. The amount of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers.



### **Services**

Income from technical service, support services and other management fees is recognised when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists.

Income from analytical service is recognised when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realisation exists. Revenue is recognised net of taxes and discounts.

### **Export entitlements**

Export entitlements from Government authorities are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Group, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### **Interest and dividend income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established.

## **2.9 Employee benefits**

Short term employee benefits 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.

There are no carry forward of leave balances.

## **2.10 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.

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the period-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 period.

### 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.

## **2.11 Taxes on income**

Income Tax comprises the current tax provision. Current tax is the amount of tax payable on the taxable income for the period.

## **2.12 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 period. 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 period unless issued at a later date.



### 2.13 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.

### 2.14 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.

### 2.15 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.

### 2.16 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### 2.17 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.

### 2.18 Leases

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note 29).

### 2.19 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 are segregated based on the available information.





**2.20 Cash and cash equivalents**

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.

**2.21 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.

A handwritten signature in blue ink, consisting of a stylized circular mark followed by the letters 'j m'.

**LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)**  
Notes to the financial statements for the year ended 31 March, 2021  
All amounts are in Mexican Peso

**Note 3 : Property, plant and equipment**

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Carrying Amount of:</b>		
Furniture and fixtures	120,530	137,729
Computers	103,659	72,840
Plant and machinery	132,201	150,415
Vehicles	353,150	625,992
Right to use Assets	7,425,554	8,695,535
<b>Total</b>	<b>8,135,094</b>	<b>9,682,510</b>

Particulars	Furniture and fixtures	Computers	Plant and machinery	Vehicles	Right to use Assets	Total
<b>Cost or deemed cost</b>						
Balance as on 01 April, 2019	145,762	336,096	123,635	872,697	-	1,478,190
Assets acquired	22,047	29,697	78,183	182,055	10,008,512	10,320,492
Deletions	-	-	-	-	-	-
<b>Balance as on 01 April, 2020</b>	<b>167,809</b>	<b>365,793</b>	<b>201,818</b>	<b>1,054,751</b>	<b>10,008,512</b>	<b>11,798,682</b>
Assets acquired	-	71,761	-	-	-	71,761
Deletions	-	-	-	-	-	-
<b>Balance as on 31 March, 2021</b>	<b>167,809</b>	<b>437,554</b>	<b>201,818</b>	<b>1,054,751</b>	<b>10,008,512</b>	<b>11,870,443</b>

Particulars	Furniture and fixtures	Computers	Plant and machinery	Vehicles	Right to use Assets	Total
<b>Accumulated depreciation and impairment</b>						
Balance as on 01 April, 2018	13,800	223,965	35,226	177,070	-	450,061
Depreciation / amortisation expense for the year	16,280	68,988	16,177	251,689	1,312,976	1,666,111
Accumulated depreciation for assets sold	-	-	-	-	-	-
<b>Balance as on 01 April, 2020</b>	<b>30,080</b>	<b>292,954</b>	<b>51,403</b>	<b>428,760</b>	<b>1,312,976</b>	<b>2,116,172</b>
Depreciation / amortisation expense for the year	17,199	40,941	18,214	272,842	1,269,981	1,619,177
Accumulated depreciation for assets sold	-	-	-	-	-	-
<b>Balance as on 31 March, 2021</b>	<b>47,279</b>	<b>333,894</b>	<b>69,617</b>	<b>701,601</b>	<b>2,582,958</b>	<b>3,735,349</b>

Particulars	Furniture and fixtures	Computers	Plant and machinery	Vehicles	Right to use Assets	Total
<b>Carrying amount</b>						
Balance as on 01 April, 2020	137,729	72,840	150,415	625,992	8,695,535	9,682,510
Balance as on 31 March, 2021	120,530	103,659	132,201	353,150	7,425,554	8,135,094

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LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)  
Notes to the financial statements for the Year ended 31st March 2021  
All amounts are in Mexican Peso

Note no	Particulars	As at 31st Mar 2021	As at 31st Mar 2020
4	<b>Financial assets - Long term loans and advances</b>		
	Security Deposits	163,272	154,957
		<b>163,272</b>	<b>154,957</b>
5	<b>Deferred tax assets (net)</b>		
	Deferred tax (IND AS 116)	54,930	43,842
		<b>54,930</b>	<b>43,842</b>
6	<b>Other non-current assets</b>		
	Prepaid expenses	504,275	499,732
		<b>504,275</b>	<b>499,732</b>
7	<b>Inventories</b> <b>(At lower of cost and net realisable value)</b>		
	Raw materials and packing materials	1,672,972	1,152,595
		<b>1,672,972</b>	<b>1,152,595</b>
	Work-in-progress and intermediates	184,752	1
	Finished goods	3,473,062	8,245,322
	Stock in trade	5,863,534	2,133,628
	Stock in trade (In Transit)	801,587	3,977,790
		<b>10,138,182</b>	<b>14,356,740</b>
		<b>11,995,906</b>	<b>15,509,335</b>
	Note : Inventory provision made during March 2021 Nil (March 2020 Nil)		
	<b>Financial Assets</b>		
8	<b>Trade receivables</b>		
	(a) Unsecured, considered good	7,389,285	8,023,266
		7,389,285	8,023,266
		7,389,285	8,023,266
	(a) Unsecured, considered good	184,995	169,923
		184,995	169,923
	Less: Provision for doubtful debts	-	-
		184,995	83,024
		<b>7,574,279</b>	<b>8,193,189</b>
	Note : Trade receivables outstanding for more than 180 days as on March 31, 2021 135,433 (March 2020 8,990)		
9	<b>Cash and cash equivalents</b>		
	Cash with Employees	12,000	21,000
	Balances with banks		
	- In current accounts	3,331,969	994,389
		<b>3,343,969</b>	<b>1,015,389</b>
10	<b>Other current assets</b>		
	Balances with government authorities	5,567,958	3,074,409
	Advance Income-Tax including tax deducted at source (Net of Tax provision of NIL as on 31 March 2020)	-	352,483
		<b>5,567,958</b>	<b>3,426,892</b>
12	<b>Trade payable</b>		
	Trade payable	14,994,711	21,918,336
		<b>14,994,711</b>	<b>21,918,336</b>
13	<b>Other Current Liabilities</b>		
	Statutory remittances	76,284	83,958
		<b>76,284</b>	<b>83,958</b>
14	Provision for taxation	315,093	-
	<b>Total</b>	<b>315,093</b>	<b>-</b>
	(Net off Advance Tax 31 Mar 21 Pesos 207315)		

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LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)

Notes to accounts

All amounts are in Mexican Peso unless otherwise stated

11 (a) Equity share capital	As at 31st Mar 2021		As at 31st Mar 2020			
	No. of Shares	Amount	No. of Shares	Amount		
(i) Authorised Share Capital 6110 share of Peso 1000 each	6,100	6,110,000	6,100	6,110,000		
(ii) Issued Share Capital 6110 share of Peso 1000 each	6,100	6,110,000	6,100	6,110,000		
	<u>6,100</u>	<u>6,110,000</u>	<u>6,100</u>	<u>6,110,000</u>		
Notes :						
(i) Reconciliation of the number of shares and amount outstanding at the beginning and end of the reporting period						
	As at 31st Mar 2021		As at 31st Mar 2020			
	No. of Shares	Amount	No. of Shares	Amount		
No. Equity shares	6,110	6,110,000	6,110	6,110,000		
Add : Shares issued during the period	-	-	-	-		
Shares outstanding at the end of the period	<u>6,110</u>	<u>6,110,000</u>	<u>6,110</u>	<u>6,110,000</u>		
(ii) Terms / Rights attached to Equity Shares						
In the Event of liquidation of the company, the shareholders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of the all preferential amounts, if any. The distribution will be in the proportion to the number of equity shares held by the share holders						
(iii) Details of Shares held by each share holder holding more than 5% shares						
	As at 31st Mar 2021		As at 31st Mar 2020			
<u>Name of Share Holders</u>	No. of Shares	% holding	No. of Shares	% holding		
Vila Viña Participacions S.L.	3,055	50%	3,055	50%		
Laboratorios Karizoo, S.A.	3,055	50%	3,055	50%		
(b) Other Equity	As at 31st Mar 2021		As at 31st Mar 2020			
	Retained Earnings	General reserve	Total	Retained Earnings	General reserve	Total
Balance at the beginning of the reporting year	4,492,545	(2,920,667)	1,571,878	6,308,929	(2,920,667)	3,388,261
Add: Profit / (Loss) for the year	6,663,063	-	6,663,063	-1,529,524	-	(1,529,524)
Lease Impact as per IND AS 116	-	-	-	-93,230	-	(93,230)
Deferred tax impact on lease	-	-	-	27,969	-	27,969
Less : Dividends	-	-	-	-221,598	-	(221,598)
Balance at the end of the reporting year	<u>11,155,609</u>	<u>(2,920,667)</u>	<u>8,234,941</u>	<u>4,492,545</u>	<u>(2,920,667)</u>	<u>1,571,878</u>

**LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)**

Notes to the financial statements for the year ended 31st March 2021

All amounts are in Mexican Peso unless otherwise stated

Note no	Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
<b>14</b>	<b>Revenue from operations</b>		
	a) Sale of products	77,327,238	66,293,167
	d) Other operating revenues	740,787	1,162,198
		<u>78,068,025</u>	<u>67,455,365</u>
	<b>Reconciliation of revenue from sale of products and services with the contracted price:</b>		
	Contracted Price	78,944,655	67,480,711
	Less: trade discounts, sales and expiry return	876,630	25,346
		<u>78,068,025</u>	<u>67,455,365</u>
<b>15</b>	<b>Other Income</b>		
	Interest income	60	17
	Other non-operating income	-	1,729
		<u>60</u>	<u>1,746</u>
<b>16</b>	<b>Cost of materials consumed</b>		
	Opening stock	1,152,595	1,015,377
	Add: Purchases	50,739,194	46,236,056
	Less: Closing stock	1,672,972	1,152,595
		<u>50,218,817</u>	<u>46,098,838</u>
<b>17</b>	<b>Changes in inventories of finished goods and work-in-progress &amp; intermediates</b>		
	<b>Opening stock</b>		
	Work-in-progress and intermediates	1	681,421
	Finished goods	8,245,322	4,420,973
	Stock in trade	6,111,418	8,232,348
		<u>14,356,740</u>	<u>13,334,742</u>
	<b>Closing stock</b>		
	Work-in-progress and intermediates	184,752	1
	Finished goods	3,473,062	8,245,322
	Stock in trade	6,665,121	6,111,418
		<u>10,322,935</u>	<u>14,356,740</u>
	<b>Net (increase) / decrease</b>	<u>4,033,806</u>	<u>(1,021,998)</u>
<b>18</b>	<b>Employee benefits expense</b>		
	Salaries and wages	6,971,819	8,100,454
	Staff welfare expenses	80,006	234,292
		<u>7,051,825</u>	<u>8,334,745</u>
<b>19</b>	<b>Finance costs</b>		
	Interest expense	173,250	162,996
	Other borrowing costs	44,291	36,441
	Lease Interest expense	124,171	138,047
		<u>341,712</u>	<u>337,484</u>
<b>20</b>	<b>Depreciation and amortization expense</b>		
	Tangible assets	349,195	1,666,111
	Lease Amortisation (IND AS 116)	1,269,981	1,312,976
		<u>1,619,177</u>	<u>2,979,088</u>
<b>21</b>	<b>Other expenses</b>		
	Travel expenses	470,260	1,157,519
	Communication expenses	183,124	199,062
	Consumables	565,192	295,681
	Legal and Professional charges	1,141,433	1,588,024
	Freight and forwarding	936,510	835,533
	Power and fuel	594,939	791,702
	Rent expenses	1,383,853	1,457,526
	Rent (IND AS 116)	(1,357,191)	(1,398,115)
	Analytical charges	954,418	1,108,545
	Repairs to buildings	6,269	61,832
	Repairs to others	556,393	383,125
	Insurance	352,913	361,380
	Advertisement and selling expenses	826,515	1,144,740
	Marketing Expenses	76,918	508,470
	Rates and taxes	509,820	390,832
	Net loss on foreign currency transactions and translation	(1,814,028)	2,889,099
	Other expenses	919,251	796,216
		<u>6,306,587</u>	<u>12,571,172</u>

**LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)**  
**Notes to the financial statements for the year ended 31st December 2019**  
**All amounts are in Mexican Peso unless otherwise stated**

Note no	Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
22	<b>Tax expense</b>		
	Current tax	1,844,187	1,016,157
	Deferred tax	(11,088)	(15,872)
		<u>1,833,098</u>	<u>1,000,285</u>
23	<b>Earning per Share</b>		
		<b>01 Apr 2020 to 31 March, 2021</b>	<b>01 Apr 2019 to 31 March, 2020</b>
	Net profit / (loss) for the period as per statement of profit and loss	6,663,063	-2,842,501
	Net profit / (loss) for the period attributable to the equity shareholders	6,663,063	(2,842,501)
	Weighted average number of equity shares	6,100	6,100
	Earnings / (Loss) per share - Basic	1092.31	-465.98
	Earnings / (Loss) per share - Diluted	1092.31	-465.98
24	<b>Segment Information</b>		
	Segments have been identified taking into account the nature of services, the differing risks and returns, the organizational structure and the internal reporting system.		
	<b>Primary Segment : Business Segment</b>		
	The Company through its subsidiaries is primarily engaged in the business of trading and marketing of Pharmaceutical products. Considering the nature of the business and the financial reporting of the company, the company has only one business segment as the primary reportable segment.		
	All the activities of the company are in Mexico.		
I	<b>Revenue From Operations</b>	<b>Year ended 31 Mar 2021</b>	<b>Year ended 31 Mar 2020</b>
	Rest of the World	78,068,025	67,455,365
	<b>Total</b>	<u>78,068,025</u>	<u>67,455,365</u>
II	<b>Total Assets</b>	<b>As at 31 Mar 2021</b>	<b>As at 31 Mar 2020</b>
	Rest of the World	37,339,683	38,525,846
	<b>Total Segment Assets</b>	<u>37,339,683</u>	<u>38,525,846</u>
III	<b>Cost incurred during the Year to acquire Segment Assets</b>	<b>Year ended 31 Mar 2021</b>	<b>Year ended 31 Mar 2020</b>
	Rest of the World	-	311,981
		<u>-</u>	<u>311,981</u>
25	<b>Contingent liabilities and commitments</b>		
	There are no contingent liabilities or Capital Commitments as on 31 March 2021 and 31 March 2020.		
26	<b>Foreign currency exposure</b>		
		<b>As at 31 Mar 2021</b>	<b>As at 31 Mar 2020</b>
	Foreign currency		
	Trade Payable in USD	-	746,018
	Trade Payable in Euros	78,069	221,414

LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)  
Notes to the financial statements for the year ended 31 March, 2021  
All amounts are in Mexican Peso

27 Details of leasing arrangements

The Company's significant leasing arrangement is mainly in respect of Vehicle.

The following is the movement in lease liabilities during the year ended 31 March 2020:

	Year ended 31 March 2021	Year ended 31 March 2020
Balance as at 1 April 2020	8,841,674	9,903,663.85
Addition during the year		-
Accretion of interest	124,171	138,047.18
Payments	(1,357,191)	(1,398,115.07)
<b>Balance as at 31 March 2021</b>	<b>7,608,653</b>	<b>8,643,596</b>
Current	1,475,082	1,233,020.44
Non-current	6,133,572	7,608,653.56

The effective interest rate for lease liabilities is 1.5%

The following are the amounts recognised in profit or loss:

	1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
Depreciation expense of right-of-use assets	1,269,981	1,312,976.20
Interest expense on lease liabilities	124,171	138,047.18
<b>Total amount recognised in profit or loss</b>	<b>1,394,152</b>	

LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)  
Notes to the financial statements for the year ended 31 March, 2021  
All amounts are in Mexican Peso

29 Financial instruments

The carrying value / fair value of financial instruments by categories are as follows:

A)	Carrying value and fair value	
	31 March 2021	31 March 2020
<b>Financial assets</b>		
Measured at amortised cost		
Trade receivables	7,574,279	8,193,189
Cash and cash equivalents	3,343,969	1,015,389
Other financial assets	163,272	154,957
<b>Total</b>	<b>11,081,520</b>	<b>9,363,536</b>
<b>Financial liabilities</b>		
Measured at amortised cost		
Trade payables	14,994,711	21,918,336
Other financial liabilities	7,608,654	8,841,674
<b>Total</b>	<b>22,603,365</b>	<b>30,760,010</b>

The company's principal financial liabilities comprise trade payables and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include trade and other receivables, and cash and deposits that derive directly from its operations.

The company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

B) Liquidity risk

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

The company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

Particulars	As at 31 March 2021			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	14,994,711	-	-	14,994,711
Lease Liability	1,475,082	1,475,082	4,658,490	7,608,654
<b>Particulars</b>	<b>As at 31 March 2020</b>			
	Less than 1 year	1-2 years	2 years and above	Total
Trade payables	21,918,336	-	-	21,918,336
Lease Liability	1,233,020	1,475,082	6,133,572	8,841,674

C) Capital management

For the purpose of company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders of the company. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would

	31 March 2021	31 March 2020
Debt (i)	-	-
Cash and bank balances (ii)	3,343,969	1,015,389
Other bank balances (iii) (margin money)	-	-
Other non-current financial assets (margin money) (iv)	-	-
Current investment (iv)	-	-
<b>Net debt [ (i) - { (ii)+(iii)+(iv) } ]</b>	<b>(3,343,969)</b>	<b>(1,015,389)</b>
<b>Equity attributable to owners of the Company</b>	<b>3,505,086</b>	<b>3,422,030</b>
<b>Gearing ratio</b>	<b>-95.40%</b>	<b>-29.67%</b>

(i) Debt is defined as long-term (including current maturity on long-term borrowings), short-term borrowings and judicial recovery.

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt / Equity



LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)  
Notes to the financial statements for the year ended 31 March, 2021  
All amounts are in Mexican Peso

28 Reconciliations of tax expenses and details of deferred tax balances

A) Income tax expense recognised in the statement of profit and loss

	Year ended 31 March 2021	Year ended 31 March 2020
<b>i) Income tax expense recognised in the statement of profit and loss</b>		
Current tax	1,844,187	1,016,157
<b>Total (I)</b>	<b>1,844,187</b>	<b>1,016,157</b>
<b>Deferred tax charge</b>		
Origination and reversal of temporary differences	(11,088)	(15,872)
<b>Total (II)</b>	<b>-11,088</b>	<b>-15,872</b>
<b>Provision for tax of earlier years written back (III)</b>	<b>-</b>	<b>-</b>
<b>Total (IV = I+II+III)</b>	<b>1,833,098</b>	<b>1,000,285</b>
<b>ii) Tax on other comprehensive income</b>		
Re-measurement (gains) / losses on defined benefit plans	-	-
<b>Total (V)</b>	<b>-</b>	<b>-</b>
<b>Total (IV+V)</b>	<b>1,833,098</b>	<b>1,000,285</b>

The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

B) Reconciliation of effective tax rate

The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Group is as follows:

	31 March 2021	31 March 2020
Profit before tax	8,496,162	(1,842,217)
Statutory income tax rate	30.00%	30.00%
<b>Tax as per applicable tax rate</b>	<b>2,548,848</b>	<b>-552,665</b>
<b>Differences due to:</b>		
- Exempted income	715,750	-
- Disallowed expenses	-	(1,552,950)
<b>Income tax expenses charged to the statement of profit and loss</b>	<b>1,833,098</b>	<b>1,000,285</b>
Effective tax rate	21.58%	-54.30%

C) Movement in deferred tax assets and liabilities

	31 March 2021				As at 31 March 2021	Deferred tax asset	Deferred tax liability
	As at 01 April 2020	Recognised before acquisition/ under business combination	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income			
- Right-of-use assets (*)	43,842	-	11,088	-	54,930	54,930	-
- Other	-	-	-	-	-	-	-
<b>Tax assets / (liabilities)</b>	<b>43,842</b>	<b>-</b>	<b>11,088</b>	<b>-</b>	<b>54,930</b>	<b>54,930</b>	<b>-</b>
- Unabsorbed depreciation and carried forward of losses	-	-	-	-	-	-	-
<b>Net tax assets / (liabilities)</b>	<b>43,842</b>	<b>-</b>	<b>11,088</b>	<b>-</b>	<b>54,930</b>	<b>54,930</b>	<b>-</b>
- MAT credit entitlement	-	-	-	-	-	-	-
<b>Total</b>	<b>43,842</b>	<b>-</b>	<b>11,088</b>	<b>-</b>	<b>54,930</b>	<b>54,930</b>	<b>-</b>

	31 March 2020				As at 31 March 2020	Deferred tax asset	Deferred tax liability
	As at 01 April 2019	Recognised before acquisition/ under business combination	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income			
- Right-of-use assets (*)	27,969	-	15,872	-	43,842	43,842	-
- Other	-	-	-	-	-	-	-
<b>Tax assets / (liabilities)</b>	<b>27,969</b>	<b>-</b>	<b>15,872</b>	<b>-</b>	<b>43,842</b>	<b>43,842</b>	<b>-</b>
- Unabsorbed depreciation and carried forward of losses	-	-	-	-	-	-	-
<b>Net tax assets / (liabilities)</b>	<b>27,969</b>	<b>-</b>	<b>15,872</b>	<b>-</b>	<b>43,842</b>	<b>43,842</b>	<b>-</b>
- MAT credit entitlement	-	-	-	-	-	-	-
<b>Total</b>	<b>27,969</b>	<b>-</b>	<b>15,872</b>	<b>-</b>	<b>43,842</b>	<b>43,842</b>	<b>-</b>

(\*) Opening balances is on account of transition impact of Ind AS 116.

LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)  
Notes to the financial statements for the year ended 31 March, 2021  
All amounts are in Mexican Peso

30 Related Party Disclosures:

A List of related parties:

- i) **Holding company:**  
Vila Viña Participacions S.L.  
Laboratorios Karizoo, S.A.  
Alivira Animal Health Limited, Ireland (Holding company of Vila Viña Participacions S.L.)  
Alivira Animal Health Limited, India (Holding company of Alivira Animal Health Limited, Ireland)  
Sequent Scientific Limited, India (Ultimate Holding Company)
- ii) **Fellow Subsidiary :**  
Phytotherapeutic Solutions S.L.  
Comercial Vila Veterinaria De Lleida S.L
- iii) **Key Management Personnel**  
Ramon Vila Viña  
Eusebi Vila Viña
- iv) **Other Group Subsidiaries :**  
Alivira Italia S.R.L.  
Bremer Pharma GmbH  
Fendigo SA  
Fendigo BV  
N-Vet AB  
Provet Veterinerlik Urunleri Tic. Ltd. Sti  
Tomkim Ilac Premiks San. ve Tic. A.S  
Alivira (France)  
Alivira UA Limited  
Alivira Saude Animal Brasil Participacoes Ltda  
Evance Saude Animal Ltda  
Interchange Veterinária Indústria E Comércio Ltda.

B. Transaction during the period

Nature of transactions	Year ended 31 Mar 2021	Year ended 31 Mar 2020
<b>(i) Purchases</b>		
Phytotherapeutic Solutions S.L.	6,208,150	2,833,425
<b>(ii) Marketing Expenses Received</b>		
Phytotherapeutic Solutions S.L.	181,594	254,071
<b>(iii) Interest Expense</b>		
Laboratorios Karizoo S.A.	25,000	21,666
<b>(xiii) Dividend Paid</b>		
Vila Viña Participacions S.L.		107,784
Laboratorios Karizoo S.A.		107,784

LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)  
Notes to the financial statements for the year ended 31 March, 2021  
All amounts are in Mexican Peso

C. Balance as at balance sheet date:

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>(i) Trade payables</b>		
Phytotherapeutic Solutions S.L.	1,951,714	5,028,267
Laboratorios Karizoo S.A.	-	538,802
<b>(ii) Trade Receivables</b>		
Phytotherapeutic Solutions S.L.	-	83,870

As per our report of event date  
HLB LEÓN TELLO GARCÍA Y ASOCIADOS, S.C.  
Auditors & Consultants

Jorge Marquez Licen  
Place : Querétaro, Mexico  
Date : May 27, 2021

HLB Querétaro  
León Tello García y Asociados SC  
LTG080207TPS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Eusebi Vila Viña  
Director

Ramon Vila Viña  
Director