ALIVIRA SAUDE ANIMAL LTDA.
Balance Sheet as at 31 March, 2022
All amounts are in BRL

Particulars	Note No.	As at 31 Mar 2022	As at 31 Mar 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	2,590,169	2,625,737
(b) Other Intangible assets	4	1,875,000	2,125,000
(c) Financial Assets			
(i) Investments	5	27,000,000	-
(ii) Loans	6	199,823	210,203
(iii) Other financial asset	7	1,464,626	134,633
(d) Deferred tax assets (net)	8	1,765,127	1,656,321
		34,894,745	**6,751,895**
Current assets			
(a) Inventories	9	14,320,600	8,628,756
(b) Financial Assets			
(i) Trade receivables	10	15,519,313	18,007,258
(ii) Cash and cash equivalents	11	1,559,176	745,058
(iii) Loans	12	33,988	18,380
(iv) Other financial assets	13	-	86,958
(c) Other current assets	14	2,416,615	1,810,648
		33,849,693	**29,297,059**
TOTAL ASSETS		**68,744,437**	**36,048,954**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	13,020,200	13,020,200
(b) Other Equity	16	(13,104,599)	(16,555,818)
		(84,399)	**(3,535,618)**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	17	4,854,297	6,260,783
(ii) Lease liabilities	35	1,607,885	1,756,010
(iii) Other financial liabilities	18	1,761,832	668,561
		8,224,014	**8,685,354**
Current liabilities			
(a) Financial liabilities			
(i) Borrowing	19	24,152,241	9,154,246
(ii) Trade payables	20	22,928,296	20,100,755
(iii) Lease liabilities	35	148,125	157,128
(iv) Other financial liabilities	21	10,514,305	-
(b) Other current liabilities	22	2,199,620	1,036,709
(c) Provisions	23	412,353	310,165
(d) Current tax liabilities (Net)	24	249,882	140,214
		60,604,822	**30,899,218**
TOTAL EQUITY AND LIABILITIES		**68,744,437**	**36,048,954**

See accompanying notes to the financial statements **2**

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

As per our report of event date
EY Brazil
Auditors

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

Campinas
Date: 18th May 2022

FOR AND ON BEHALF OF THE COMPANY

Jose Nunes
Chief Executive officer
Campinas
Date: 18th May 2022

Claudinei de Castro Vieira
Chief financial officer
Campinas
Date: 18th May 2022

ALIVIRA SAUDE ANIMAL LTDA.
Statement of profit and loss for the year ended 31st March'2022
All amounts are in BRL

Particulars	Note No	Year Ended 31st Mar'22	Year Ended 31st Mar'21
INCOME			
Revenue From Operations	25	110,552,243	80,541,024
Other Income	26	128,733	835,564
Total income		**110,680,976**	**81,376,588**
EXPENSES			
Cost of materials consumed	27	78,318,345	50,938,320
Purchases of stock-in-trade	28	18,014,912	11,343,495
Changes in inventories of finished goods and work-in-progress & intermediates	29	(3,681,976)	(1,812,554)
Employee benefits expense	30	8,293,112	4,704,656
Finance costs	31	2,129,154	1,672,557
Depreciation and amortization expense	32	615,844	606,236
Other expenses	33	4,225,663	8,331,561
Total expenses		**107,915,054**	**75,784,269**
Profit before tax		**2,765,921**	**5,592,319**
Tax expense:	34	**791,900**	**1,696,764**
(i) Current tax		1,040,919	870,984
(ii) Deferred tax		(108,805)	825,780
(3) Prior Period Tax		(140,214)	-
Profit for the year		**1,974,021**	**3,895,555**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**1,974,021**	**3,895,555**
Earnings per equity share:	36		
(1) Basic		0.15	0.30
(2) Diluted		0.15	0.30

See accompanying notes to the financial statements 2

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ALIVIRA SAUDE ANIMAL LTDA.
Statement of cash flows for the year ended 31 March, 2022
All amounts are in BRL

Particulars		Year ended 31 March, 2022	Year ended 31 March, 2021
Cash flow from Operating Activities			
Profit before tax		**2,765,921**	**5,592,319**
Adjustments for:			
Add: Finance Cost		2,129,154	1,672,557
Add: Depreciation and amortisation expense		615,844	606,236
Add: Liabilities / provisions no longer required written back		-	(819,321)
Add: ESOP charge		1,477,198	
Add: Unrealized exchange loss/(gain) on Loan		(1,180,095)	-
Add: Provision for doubtful trade receivables		63,334	(225,691)
Operating profit before working capital changes		**5,871,356**	**6,826,100**
Change in working Capital			
(Increase) / decrease in inventories		(5,691,843)	(2,263,069)
(Increase) / decrease in trade receivables, loans and advances and other assets		570,381	(6,976,112)
Increase / (decrease) in trade payables, other payables and provisions		5,700,216	5,879,364
Net change in working capital		**578,754**	**(3,359,816)**
Cash generated from operations		**6,450,110**	**3,466,283**
Direct taxes (paid)/refund		(791,038)	(1,087,473)
Net cash generated from operating activities	A	**5,659,072**	**2,378,810**
Cash Flow from Investing activities			
Purchase of Property, plant & equipment		(330,275)	(1,188,933)
Consideration paid on acquisition of subsidiaries		(17,000,000)	-
Net cash used in investing activities	B	**(17,330,275)**	**(1,188,933)**
Cash flow from Financing activities			
Borrowings		14,771,603	1,045,422
Finance costs paid		(2,129,154)	(1,522,096)
Payment of principal portion of lease liability		(157,128)	(161,020)
Net cash used in investing activities	C	**12,485,321**	**(637,694)**
Net increase in cash and cash equivalents during the year	(A+B+C)	**814,118**	**552,183**
Opening Cash & cash equivalent at the beginning of the year		**745,058**	**192,876**
Cash and cash equivalents at the end of the year		**1,559,176**	**745,058**
Reconciliation of cash and cash equivalents with the Balance sheet			
Cash on hand		488	1,896
Balances with banks		1,558,688	743,163
Cash and cash equivalents as per Balance Sheet (Refer Note 9)		**1,559,176**	**745,058**

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

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ALIVIRA SAUDE ANIMAL LTDA.

Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2022
All amounts are in BRL

(a) Equity share capital

	As at 31 March, 2022		As at 31 March, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	13,020,200	13,020,200	13,020,200	13,020,200
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	**13,020,200**	**13,020,200**	**13,020,200**	**13,020,200**

(b) Other Equity

	As at 31 March, 2022			As at 31 March, 2021		
Reserves and Surplus	General reserve	Retained Earnings	Total	General reserve	Retained Earnings	Total
Balance at the beginning of the reporting year	(21,247,260)	4,691,442	**(16,555,818)**	(21,247,260)	795,887	**(20,451,373)**
Profit for the year	-	1,974,021	**1,974,021**	-	3,895,555	**3,895,555**
Lease Impact as per IND AS 116	-	-	-	-		-
Corporate Emp. Expenses - Reserve	1,477,198	-	**1,477,198**	-		-
Deferred Tax Impact on lease	-	-	-	-		-
Balance at the end of the reporting year	**(19,770,062)**	**6,665,463**	**(13,104,599)**	**(21,247,260)**	**4,691,442**	**(16,555,818)**

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1. CORPORATE INFORMATION

Alivira Saude Animal Ltda ("the Company") (Name changed from Interchange Veterinária Indústria E Comércio Ltda w.e.f 20 January 2022) is a company duly organised and incorporated in accordance with the laws of Brazil and is engaged in the manufacturing of veterinary pharmaceuticals and animal health products.

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for

- Leasing transaction as defined in Ind AS 116 – Leases.
- Measurement that have some similarities to fair value but are not fair value, such as 'Net Realisable Value' as defined in Ind AS 2 – Inventories and value in use as defined in Ind AS 36- Impairment of Assets.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Functional and presentation currency

These financial statements are presented in Brazilian Lira (BRL), which is the Company's functional currency.

2.4 Significant Accounting Policies

i. Revenue Recognition

Sale of products

Revenue from sale of products is presented in the income statement within revenue from operations. The Company 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, Turnover premium and customer discounts.

Revenue is recognized 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 turnover premium is estimated and accrued on each of the underlying sales transactions recognised.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company 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.

ii. Leases

Ind AS 116 supersedes Ind AS 17 Leases. 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.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 01 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Right of Use asset are depreciated on a straight - line basis over the lease term.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics,
- Relied on its assessment of whether leases are onerous immediately before the date of initial application,
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application,
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application,
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

iii. Foreign currency transactions and translation

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which it arises.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange difference on capital expenditure are not capitalised but charged to the statement of profit and loss.

iv. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or erection of qualifying assets are added to the cost of those assets, until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

v. Employee Benefits

a) Defined contribution plans

The Company has defined contribution plans for post-employment benefits in the form of Social security which is administered through Government of Turkey. Social Security is classified as defined contribution plans as the Company has no further obligation beyond making the contributions. The company's contributions to defined contribution plans are charged to the statement of profit and loss as and when employee renders related service.

b) Defined benefit plans

Payments to defined benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Severance pay is in the nature of defined benefit plans.

For defined benefit plans, the cost of providing benefit is determined using projected unit credit method, with actuarial valuation being carried out at the end of each financial year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement gain / (loss).

The Company presents the service cost of defined benefit plan in the line item 'Employee benefits expense' and the net interest expense or income in the line item 'Finance costs' of the statement of profit and loss. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

c) Short-term employee benefits

A liability is recognised for short-term employee benefit in respect of wages and salaries, annual leaves, medical and leave travel in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

d) Other employee benefits

Other employee benefits comprise of leave encashment which is provided for, based on the actuarial valuation carried out as at the end of the year. Liabilities recognised in respect of other employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

vi Taxes on income

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

vii. Property, plant and equipment

a) Recognition and measurement

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have significant cost in relation to total cost and different useful lives, they are recognised and depreciated separately.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values, using the straight-line method, over the useful lives

Nature of the assets	Useful life in years
Computers	5 years
Furniture and fixtures	10 years
Plant and machinery	10 years
Lease hold property-development	25 years

The estimated useful lives, residual values and depreciation method are reviewed at financial year end, with the effect of any changes in estimates are accounted for on a prospective basis.

b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

c) Derecognition of property, plant and equipment

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

viii. Intangible assets

a) Intangible assets acquired separately

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on straight-line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each financial year, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes any directly attributable incidental expenses necessary to make the assets ready for use.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follow:

Nature of the assets	Useful life in years
Software	3-5
Product Licenses	10-15

b) Subsequent costs

Subsequent costs are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally-generated intangibles, are recognised in the statement of profit and loss as incurred.

c) Derecognition of intangible assets

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

ix. Inventories

Inventories comprises of consumables used for analytical purposes. These are valued at the lower of cost and net realizable value. Cost is determined on First in First out basis, at purchase cost including other cost incurred in bringing consumables to their present location and condition.

x. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent assets are not recognised but are disclosed in the notes to financial statements when economic inflow is probable.

xi. Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

All financial instruments are initially measured at fair value. Transaction costs that are attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets recorded at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

xii Impairment

a) Financial assets

In accordance with Ind AS 109 - Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting period, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

(i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:
Financial assets measured at amortised cost, contractual revenue receivables. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

xiii Earnings per share

Basic EPS is computed by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon 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. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

xiv Cash and cash equivalents

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

xv Segment

Segments have been identified taking into account the nature of services, the differing risks and returns, the organisational structure and the internal reporting system.

xvi Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

xvii Fair value measurement

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

• In the principal market for the asset or liability or

• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2A. Use of estimates and management judgments

In application of the accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

i Deferred tax

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

ii. Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

iii. Post-retirement benefit plans

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

iv. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting period.

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL
Note 3: Property, plant and equipment and capital work-in-progress

Particulars	As at 31 March, 2022	As at 31 March, 2021
Carrying Amount of:		
Lease hold improvements	296,526	240,391
Furniture and fixtures	244,636	117,319
Computers	56,090	31,367
Right-of-use assets	1,395,732	1,616,985
Plant and machinery	597,185	619,675
Total	**2,590,169**	**2,625,737**

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Plant and machinery	Total
Cost or deemed cost						
Balance as on 01 April, 2020	83,479	336,582	116,354	2,100,884	791,935	3,429,234
Assets acquired	182,313	52,275	12,711		212,468	459,767
Balance as on 01 April, 2021	**265,792**	**388,857**	**129,065**	**2,100,884**	**1,004,402**	**3,889,000**
Assets acquired	68,266	155,327	38,759	-	67,924	330,275
Balance as on 31 March, 2022	**334,058**	**544,184**	**167,824**	**2,100,884**	**1,072,326**	**4,219,276**

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Plant and machinery	Total
Accumulated depreciation and impairment						
Balance as on 01 April, 2020	20,816	252,417	83,400	241,949	308,445	907,027
Depreciation expense for the year	4,585	19,122	14,298	241,950	76,282	356,236
Balance as on 01 April, 2021	**25,401**	**271,539**	**97,698**	**483,899**	**384,727**	**1,263,263**
Depreciation expense for the year	12,131	28,009	14,036	221,253	90,414	365,844
Balance as on 31 March, 2022	**37,532**	**299,548**	**111,734**	**705,152**	**475,141**	**1,629,107**

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Plant and machinery	Total
Carrying amount						
Balance as on 01 April, 2020	62,663	84,165	32,954	1,858,934	483,489	2,522,207
Assets acquired	182,313	52,275	12,711	-	212,468	459,767
Depreciation expense for the year	4,585	19,122	14,298	241,950	76,282	356,236
Balance as on 01 April, 2021	**240,391**	**117,319**	**31,367**	**1,616,985**	**619,675**	**2,625,737**
Assets acquired	68,266	155,327	38,759	-	67,924	330,275
Depreciation expense for the year	12,131	28,009	14,036	221,253	90,414	365,844
Balance as on 31 March, 2022	**296,526**	**244,636**	**56,090**	**1,395,732**	**597,185**	**2,590,169**

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL
Note 4: Other Intangible assets

Particulars	As at 31 March, 2022	As at 31 March, 2021
Carrying Amount of:		
Product Licenses	1,875,000	2,125,000
Total	**1,875,000**	**2,125,000**

Particulars	Product Licenses
Cost or deemed cost	
Balance as on 01 April, 2020	2,500,000
Assets acquired	-
Balance as on 01 April, 2021	**2,500,000**
Assets acquired	-
Balance as on 31 March, 2022	**2,500,000**

Particulars	Product Licenses
Accumulated amortisation	
Balance as on 01 April, 2020	125,000
Amortisation expense for the year	250,000
Balance as on 01 April, 2021	**375,000**
Amortisation expense for the year	250,000
Balance as on 31 March, 2022	**625,000**

Particulars	Product Licenses
Carrying amount	
Balance as on 01 April, 2020	2,375,000
Assets acquired	-
Amortisation expense	250,000
Balance as on 01 April, 2021	**2,125,000**
Assets acquired	-
Amortisation expense	250,000
Balance as on 31 March, 2022	**1,875,000**

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
5	**Non-current Investments**		
	Investments in equity instruments - Subsidiaries	27,000,000	
		27,000,000	-
6	**Non current Loan**		
	Loan to Others	199,823	210,203
		199,823	**210,203**
7	**Other Non current Financial Assets**		
	Security Deposits	134,633	134,633
	Social Security Contigent liability	1,329,993	
		1,464,626	**134,633**
8	**Deferred tax assets (net)**		
	On account of Leases	122,495	100,692
	On account of ESOP	502,247	-
	On Carry forward of losses	1,140,385	1,555,629
		1,765,127	**1,656,321**
9	**Inventories**		
	(At lower of cost and net realisable value)		
	Raw materials	5,706,505	3,808,848
	Packing materials	439,529	327,319
		6,146,034	**4,136,167**
	Work-in-progress and intermediates	334,708	219,151
	Finished goods	4,132,426	3,087,538
	Trading Goods	3,707,432	1,185,901
		14,320,600	**8,628,756**

During the year ended 31 March 2022 BRL 17,763 (31 March 2021 : BRL 1,03,824) was recognised as an expense towards provision for slow moving, expired and near expiry inventories

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
10	**Trade receivables**		
	(a) Unsecured, considered good	15,519,313	18,007,258
	(b) Unsecured, considered doubtful	357,138	384,583
		15,876,451	18,391,841
	Less: Provision for doubtful debts	(357,138)	(384,583)
		15,519,313	**18,007,258**

As on 31st Mar 2022

Particulars	Not Due	Outstanding for following periods from					
		Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	15,354,963	23,104	113,146	28,100			15,519,313
(ii) Undisputed Trade Receivables - considered doubtful			-	47,060	-	310,079	357,138
(iii) Disputed Trade Receivables - considered good							-
(iv) Disputed Trade Receivables - considered doubtful							-

As on 31st Mar 2021

Particulars	Not Due	Outstanding for following periods from					
		Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - considered good	17,842,052	101,872	63,334				18,007,258
(ii) Undisputed Trade Receivables - considered doubtful			9,281	85,385	-	289,918	384,583
(iii) Disputed Trade Receivables - considered good							-
(iv) Disputed Trade Receivables - considered doubtful							-

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
11	**Cash and cash equivalents**		
	Cash on hand	488	1,896
	Balances with banks		
	- In current accounts	1,558,688	743,163
		1,559,176	**745,058**
12	**Loans**		
	Unsecured, considered good;		
	Advances to employees	5,000	8,000
	Loans & Advances to related parties	-	-
	Loans to others	28,988	10,380
		33,988	**18,380**
13	**Other current financial assets**		
	Derivative Asset	-	86,958
		-	**86,958**
14	**Other current assets**		
	Advance to suppliers	696,999	462,035
	Balances with government authorities	1,312,147	852,153
	Prepaid expenses	407,470	496,460
		2,416,615	**1,810,648**

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
15	**Share capital**		
(a)	**Authorised**		
	1,303,950 equity shares (March 31, 2021: 1,303,950 equity shares) of BRL 10 each	13,039,500	13,039,500
(b)	**Issued, Subscribed and fully paid up**		
	1,302,020 equity shares (March 31, 2021: 1,302,020 equity shares) of BRL 10 each	13,020,200	13,020,200
		13,020,200	13,020,200

Notes:

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos of Shares	Amount	Nos of Shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	13,020,200	13,020,200	13,020,200	13,020,200
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	13,020,200	13,020,200	13,020,200	13,020,200

(ii) Terms/rights attached to equity shares
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.

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

Equity shares

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Nos of Shares	% of Holding	Nos of Shares	% of Holding
Alivira, Brazil	13,020,200	100.00%	9,114,140	70.00%
Ares Holding Ltds	-	0.00%	3,906,060	30.00%

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
16	**Other Equity**		
	a) Retained Earnings	6,665,463	4,691,442
	b) General reserve	(19,770,062)	(21,247,260)
		(13,104,599)	**(16,555,818)**
17	**Financial Liabilities - Long term borrowings**		
	Unsecured - Fitch Participacoes Ltda	2,817,798	3,632,612
	Unsecured Judicial liabilities	2,036,499	2,628,171
		4,854,297	**6,260,783**

(i) Details of terms of repayment for the unsecured long-term borrowings :-

Particulars	Terms of repayment	As at 31 Mar 2022	As at 31 Mar 2021
FITCH PARTICIPACOES LTDA: The Company has obtained the loan through various disbursements. The rate of interest is 1.10% on the loan outstanding. However it is changes to 0.50% per month from 1st Jan 2020	Repayable in 108 monthly instalments commencing from Jan2020 and repayable fully by Dec 2028	3,455,719	4,042,048
Judicial Liabilities: The Company has received the judicial recovery judgement dated May 7, 2015 from the 2nd Civil Court of the District of Campinas, Sau Paulo for restructuring the payable towards class of vendors and banks to the loan The interest rate of the restructured loan payable to vendors and banks is Mortgage reference rate of Brazil plus 1%.	The loan is repayable in half yearly 18 unequal instalments commencing from Nov 2016. Repayable fully by May 2025	2,870,345	3,325,699
Gross Amount		6,326,064	7,367,747
Less: Current maturity of long term debt		1,471,767	1,106,965
		4,854,297	**6,260,783**

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
18	**Other financial liabilities**		
	Statutory remittances	426,244	668,561
	Social Security Contigent liability	1,335,588	-
		1,761,832	**668,561**
19	**Financial Liabilities - Short term borrowings**		
	Loans repayable on demand		
	Secured loan		
	From bank (refer note (i) below)	800,000	1,245
	Unsecured loan		
	From related party (refer note (ii) below)	21,880,474	8,046,037
	Current maturities of long-term debt (refer note 17 (i) above)	1,471,767	1,106,965
		24,152,241	**9,154,246**

Note :-
i) Loan from Sicoob bank, interest rate is 17.31% per annum

ii) Loan from Alivira Saude Animal Do Brasil Participacoes LTDA BRL 8,229,949 @ interest rate of 17.31% & loan from Alivira Animal Health Limited, Ireland USD 2,881,926 @ interest rate is 2.99% p.a

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
20	**Trade Payable**		
	Trade payable	22,928,296	20,100,755
		22,928,296	**20,100,755**

As on 31st Mar 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	20,049,412	2,878,885	-	-	-	22,928,296
(ii) Disputed dues - Others						-

As on 31st Mar 2021

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	19,498,748	602,008	-	-	-	20,100,755
(ii) Disputed dues - Others						-

Note no	Particulars	As at 31 Mar 2022	As at 31 Mar 2021
21	**Other Current financial Liabilities**		
	Derivative Instrument	514,305	-
	Other current liabilities	10,000,000	-
		10,514,305	-
22	**Other Current Liabilities**		
	Statutory remittances	1,070,853	1,034,274
	Advances from customers	1,128,767	2,435
		2,199,620	**1,036,709**
23	**Short term provisions**		
	Provision for compensated absences	412,353	310,165
		412,353	**310,165**
24	**Current tax liabilities (Net)**		
	Provision for taxation (Net of Advance Tax : BRL 791,038) (31 March 2021 : BRL 1,087,473)	249,882	140,214
		249,882	**140,214**

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL

Note no	Particulars	Year Ended 31st Mar'22	Year Ended 31st Mar'21
25	**Revenue from operations**		
	Gross Sale	111,748,765	81,458,737
	Less: Sale Return	1,196,523	917,713
		110,552,243	**80,541,024**
26	**Other Income**		
	Other Miscellenous income	128,733	590,297
	Liabilities / provisions no longer required written back	-	245,267
		128,733	**835,564**
27	**Cost of materials consumed**		
	Opening stock	4,136,167	3,685,652
	Add: Purchases	80,328,212	51,388,835
	Less: Closing stock	6,146,034	4,136,167
		78,318,345	**50,938,320**
28	**Purchases of stock-in-trade**		
	Purchases of stock-in-trade	18,014,912	11,343,495
		18,014,912	**11,343,495**
29	**Changes in inventories of finished goods and work-in-progress & intermediates**		
	Opening stock		
	Work-in-progress and intermediates	219,151	176,582
	Finished goods	4,273,439	2,503,453
		4,492,590	**2,680,035**
	Closing stock		
	Work-in-progress and intermediates	334,708	219,151
	Finished goods	7,839,858	4,273,439
		8,174,565	**4,492,590**
	Net (increase) / decrease	**(3,681,976)**	**(1,812,554)**
30	**Employee benefits expense**		
	Salaries and wages	2,901,654	2,044,909
	Contribution to funds/other funds	1,174,144	819,239
	Employee Stock option scheme	1,477,198	-
	Staff welfare expenses	2,740,117	1,840,507
		8,293,112	**4,704,656**
31	**Finance costs**		
	Interest expense	1,664,382	1,108,954
	Other borrowing costs	170,765	243,207
	Interest on lease liabilities	294,008	320,396
		2,129,154	**1,672,557**
32	**Depreciation and amortization expense**		
	Depreciation on Tangible Assets	144,590	114,286
	Depreciation on right-of-use assets	221,253	241,950
	Amortisation of Intangible Assets	250,000	250,000
		615,844	**606,236**

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL

Note no	Particulars	Year Ended 31st Mar'22	Year Ended 31st Mar'21
33	**Other expenses**		
	Travel expenses	118,785	75,478
	Communication expenses	36,177	34,879
	Contract labour charges	66,105	66,938
	Legal and Professional charges	1,055,238	630,890
	Freight and forwarding	1,934,252	1,522,536
	Power and fuel	303,593	178,886
	Rent	78,908	45,807
	Analytical charges	332,872	446,991
	Repairs to buildings	168,145	81,109
	Repairs to machinery	499,529	358,363
	Repairs to others	60,962	36,694
	Research & Development	480,010	336,203
	Insurance	17,666	15,790
	Commission on sales	1,842,364	2,433,704
	Production Waste Disposal	37,608	34,278
	Water & Sewage	125,340	114,182
	Other Office Expenses	632,547	479,245
	Advertisement and selling expenses	255,020	179,461
	Rates and taxes	227,608	201,057
	Net loss on foreign currency transactions and translation	(4,110,400)	1,284,759
	Provision for doubtful trade receivables	63,334	(225,691)
	Other expenses	-	-
		4,225,663	**8,331,561**
34	**Tax expense**		
	Current tax	1,040,919	870,984
	Deferred tax	(87,003)	853,296
	Deferred tax leases	(21,803)	(27,516)
	Prior Period Tax	(140,214)	-
		791,900	**1,696,764**

35 Details of leasing arrangements

The Company's significant leasing arrangement is mainly in respect of office premises, fork lift, Lift platform & Server; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is BRL 4,51,135

The following is the movement in lease liabilities:

Particulars	1 April 2021 to 31 March, 2022	1 April 2020 to 31 March, 2021
Opening Balance	**1,913,137**	**2,074,158**
Accretion of interest	294,008	320,396
Payments	(451,135)	(481,417)
Closing Balance	**1,756,010**	**1,913,137**
Current	148,125	157,128
Non-current	1,607,885	1,756,009

The effective interest rate for lease liabilities is 16%, with maturity till Mar,2029

The following are the amounts recognised in profit or loss:

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation expense of right-of-use assets (Refer Note 32)	221,253	241,950
Interest expense on lease liabilities (Refer Note 31)	294,008	320,396
Deferred tax lease (Refer Note 34)	(21,803)	(27,516)
Total amount recognised in profit or loss	**493,459**	**534,830**

36 Earnings per share

Particulars	1 April 2021 to 31 March, 2022	1 April 2020 to 31 March, 2021
Net profit for the period as per statement of profit and loss	1,974,021	3,895,555
Net profit for the period attributable to the equity shareholders	1,974,021	3,895,555
Weighted average number of equity shares	13,020,200	13,020,200
Earnings per share - Basic	0.15	0.30
Earnings per share - Diluted	0.15	0.30

37 Segment information

Segments have been identified taking into account the nature of operations, the differing risks and returns, the organisational structure and the internal reporting system

Primary segment: Business segment

The Company is mainly engaged in the business of Manufacturing, trading and marketing of Pharmaceutical products. Considering the nature of business and financial reporting of the Company, the Company has only one business segment viz; Pharmaceuticals as primary reportable segment. All the activies of the Company are in Latin America.

38 Contingent liabilities and commitments

(i) **Contingent liabilities**

There is no contigent liabilities and commitments as at 31st March 2022

(ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31st March 2022: Nil (March 31, 2021 : Nil)

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL

39 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 2022	Year ended 31 March 2021
i) Income tax expense recognised in the statement of profit and loss		
Current tax	1,040,919	870,984
Total (I)	1,040,919	870,984
Deferred tax		
Origination and reversal of temporary differences	-108,805	825,780
Total (II)	-108,805	825,780
Provision for tax of earlier years Provided (III)	-140,214	-
Total (IV = I+II+III)	**791,900**	**1,696,764**

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

	31 March 2022	31 March 2021
Profit before tax	**2,765,921**	**5,592,319**
Statutory income tax rate	33.72%	34.00%
Tax as per applicable tax rate	**932,767**	**1,901,388**
Differences due to:		
- Provision for tax of earlier years	(140,214)	-
- Others	(653)	(204,624)
Income tax expenses charged to the statement of profit and loss	**791,900**	**1,696,764**
Effective tax rate	**28.6%**	**30.3%**

C) Movement in deferred tax assets and liabilities

31 March 2022	As at 01 April 2021	Credit / (charge) in the statement of profit and loss	As at 31 March 2022
- Right-of-use assets (^)	100,692	21,803	122,495
Tax assets / (liabilities)	**100,692**	**21,803**	**122,495**
- Unabsorbed depreciation and carried forward of losses	1,555,629	-415,244	1,140,385
-Employee Stock Option		502,247	502,247
Net tax assets / (liabilities)	**1,656,321**	**108,805**	**1,765,127**

31 March 2021	As at 01 April 2020	Credit / (charge) in the statement of profit and loss	As at 31 March 2021
- Right-of-use assets (^)	73,176	27,516	100,692
Tax assets / (liabilities)	**73,176**	**27,516**	**100,692**
- Unabsorbed depreciation and carried forward of losses	2,408,925	(853,296)	1,555,629
Net tax assets / (liabilities)	**2,482,101**	**(825,780)**	**1,656,321**

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

40 Financial instruments

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

	Carrying value & fair value	
Financial assets	**31 March 2022**	**31 March 2021**
Measured at amortised cost		
Loans	1,498,614	153,014
Trade receivables	15,519,313	18,007,258
Cash and cash equivalents	1,559,176	745,058
Other financial assets	-	86,958
Total	**18,577,104**	**18,992,288**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity)	29,006,538	15,415,029
Trade payables	22,928,296	20,100,755
Lease Liabilities	1,756,010	1,913,138
Other financial liabilities	12,276,137	668,561
Total	**65,966,982**	**38,097,484**

40.1 Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings, 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 investments, loans, 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 financial statements.

Risk management framework
The company's activities makes it susceptible to various risks. The company has taken adequate measures to address such concerns by developing adequate systems and practices. The company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the company's financial performance.

40.2 Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company monitors the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

The Company's trade and other receivables are actively monitored to review creditworthiness of the customers to whom credit terms are granted and also avoid significant concentrations of credit risks.

Given below is ageing of trade receivable spread by period of six months:

	31 March 2022	31 March 2021
Outstanding for more than 6 months	141,246	63,334
Others	15,378,067	17,943,924
Total	**15,519,313**	**18,007,258**

Information about major Customer
Largest customers Company has total exposure in sales (BRL 2,29,23,390 of total sales) in current year and (BRL 2,01,18,958 of total sales) in FY 2020-21. The receivables from these customers are (BRL 1,06,75,755 of total receivable) in current year and BRL 72,95,003 of total receivable) in FY 2020-21. Apart from the aforesaid customers, the Company does not have a significant credit risk exposure to any other external counterparty.

40.3 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 2022 and 31 March 2021:

Particulars	**As at 31 March 2022**			
	Less than 1 year	**1-2 years**	**2 years and above**	**Total**
Borrowings (including current maturity of long-term borrowings)	24,152,241	1,570,793	3,283,504	29,006,538
Trade payables	22,928,296	-	-	22,928,296
Lease Liabilities	148,125	173,643	1,434,242	1,756,010
Other financial liabilities	10,514,305	-	1,761,832	12,276,137

Particulars	**As at 31 March 2021**			
	Less than 1 year	**1-2 years**	**2 years and above**	**Total**
Borrowings (including current maturity of long-term borrowings)	9,154,246	1,284,674	4,976,109	15,415,029
Trade payables	20,100,755		-	20,100,755
Lease Liabilities	157,128	148,125	1,607,885	1,913,138
Other financial liabilities	-	-	668,561	668,561

40.4 Market risk

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

The Company is exposed to interest rate risk arises mainly from debt. The Company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Foreign currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).
The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted purchase.

a) Foreign currency risk exposure from financial instruments are given below

Foreign currency	31 March 2022		31 March 2021	
	Receivables / (payables)	Receivables / (payables) in foreign currency	Receivables / (payables)	Receivables / (payables) in foreign currency
EURO	(9,239)	(1,760)	(2,558)	(387)
USD	(34,363,832)	(7,254,039)	(17,311,397)	(3,038,847)
USD	193,562	40,860	202,614.53	35,567.00
Net exposure	**(34,179,508)**		**(17,111,341)**	

b) Derivative financial instruments

Derivative transactions are undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(i) Outstanding forward exchange contracts entered into by the Company as at 31 March 2022 and 31 March 2021:

Currency	Amount in US $ million		Buy / Sell	Cross currency
	As at 31 March 2022	As at 31 March 2021		
USD	2,000,000	927,000	Buy	BRL

Foreign currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).
The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

c) Foreign currency sensitivity analysis

The Company is mainly exposed to currency fluctuation of USD and Euro.
The following table details the Company's sensitivity to a 10% increase and decrease in the BRL against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for 10% change in foreign currency rates. A positive numbers below indicates an increase in profit or equity where the BRL strengthens 10% against the relevant currency. For a 10% weakening of the BRL against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

	Impact on profit or loss and total equity	
	31 March 2022	31 March 2021
10% decrease in foreign currency		
Currency of Europe (Euro)	924	256
Currency of U.S.A (USD)	3,417,027	1,731,140
10% increase in foreign currency		
Currency of Europe (Euro)	(924)	(256)
Currency of U.S.A (USD)	(3,417,027)	(1,731,140)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

d) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments are as follows:

	31 March 2022	31 March 2021
Fixed-rate instruments		
Financial liabilities		
-Borrowings from bank	-	1,245
-Borrowings from related party	13,650,526	-
-Borrowings from others	3,455,719	4,042,048
	17,106,245	**4,043,293**
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	800,000	-
-Borrowings from related party	8,229,949	8,046,037
-Borrowings from others	2,870,345	3,325,699
Total	**11,900,293**	**11,371,736**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Interest rate sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect	**Profit or loss**	
	100 bps (increase)	**100 bps decrease**
31 March 2022		
Variable-rate instruments	(119,003)	119,003
	(119,003)	119,003
31 March 2021		
Variable-rate instruments	(113,717)	113,717
	(113,717)	113,717

40.5 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
As at 31 March 2022, there is no breach of covenant attached to the borrowings.

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (offset by cash and bank balances) and total equity of the Company.

The Company's gearing ratio at end of each reporting year is as follows:

	31 March 2022	31 March 2021
Debt (i)	29,006,538	15,415,029
Cash and bank balances (ii)	1,559,176	745,058
Net debt (i) - (ii)	**27,447,362**	**14,669,971**
Equity attributable to owners of the Company	(84,399)	(3,535,618)
Gearing ratio : Net debt / Equity.	**NA**	**NA**

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

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2022
All amounts are in BRL

41 Related Party Disclosures:

A List of related parties:

i) Holding company:
Alivira Saude Animal Do Brasil Participacoes LTDA.
Alivira Animal Health Limited, Ireland (Holding company of Alivira Saude Animal Do Brasil Participacoes LTDA.)
Alivira Animal Health Limited, India (Holding company of Alivira Animal Health Limited, Ireland)
Sequent Scientific Limited, India (Ultimate Holding Company)

ii) Fellow Subsidiary :
Evanvet Distribuidora De Produtos Veterinarios Ltda (Formerly known as Evance Saude Animal Ltda)

iii) Key Management Personnel
Claudinei de Castro Vieira (Chief Financial officer)
José Nunes Filho (Chief Executive officer)
Ricardo Santos Wegher (Operation Head)
Marcelo Ziani (Marketing Head)

iv) Enterprises owned or Significantly influenced by individuals who have control / significant influence over the Company
Fitch Participacoes Ltda
Ares Holding LTDA

A. Transaction during the period

Nature of Transactions	Year ended 31 March 2022	Year ended 31 March 2021
(i) Sales of materials		
Evanvet Distribuidora De Produtos Veterinarios Ltda	51,826,557	28,100,406
(ii) Interest Expenses		
Fitch Participacoes Ltda	227,003	252,710
Alivira Animal Health Limited, Brazil	968,569	437,298
Alivira Animal Health Limited, Ireland	30,602	-
(iii) Loan taken		
Alivira Saude Animal Do Brasil Participacoes LTDA.	-	7,900,000
Alivira Animal Health Limited, Ireland	14,800,018	-
(iv) Loan repaid		
Fitch Participacoes Ltda	813,332	526,211
Alivira Saude Animal Do Brasil Participacoes LTDA.	784,657	291,261
(v) Repayment of Advance given		
Evanvet Distribuidora De Produtos Veterinarios Ltda	-	225,087
(vi) Shares (sold)/purchased during the year		
Alivira Saude Animal Do Brasil Participacoes LTDA.	3,906,060	-
Ares Holding LTDA	(3,906,060)	

B. Balance as at balance sheet date:

Nature of Transactions	As at 31 March 2022	As at 31 March 2021
(i) Debtors balance		
Evanvet Distribuidora De Produtos Veterinarios Ltda	-	4,623,351
(ii) Creditors balance		
Alivira Animal Health Limited, Ireland	-	2,640
(iii) Advance from Customer		
Evanvet Distribuidora De Produtos Veterinarios Ltda	1,128,767	-
(iii) Loan Outstanding		
Alivira Animal Health Limited, Ireland	13,650,526	-
Alivira Saude Animal Do Brasil Participacoes LTDA.	8,229,949	8,046,037
Fitch Participacoes Ltda	3,455,719	4,042,048

As per our report of event date
EY Brazil
Auditors

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

Campinas
Date: 18th May 2022

FOR AND ON BEHALF OF THE COMPANY

Jose Nunes
Chief Executive officer
Campinas
Date: 18th May 2022

Claudinei de Castro Vieira
Chief financial officer
Campinas
Date: 18th May 2022