

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

**Balance Sheet As At 31st March 2022**

All amounts are in Mexican Peso

| Particulars                         | Notes | As at<br>31st Mar 2022 | As at<br>31st Mar 2021 |
|-------------------------------------|-------|------------------------|------------------------|
| <b>A ASSETS</b>                     |       |                        |                        |
| <b>1. Non-current assets</b>        |       |                        |                        |
| (a) Property, plant and equipment   | 3     | 6,801,159              | 8,135,094              |
| (b) Financial Assets                |       |                        |                        |
| (i) Others                          | 4     | 142,558                | 163,272                |
| (c) Deferred tax assets (net)       | 5     | 59,850                 | 54,930                 |
| (d) Other non-current assets        | 6     | 307,037                | 504,275                |
| <b>Total non-current assets</b>     |       | <b>7,310,604</b>       | <b>8,857,571</b>       |
| <b>2. Current assets</b>            |       |                        |                        |
| (a) Inventories                     | 7     | 23,400,950             | 11,995,906             |
| (b) Financial Assets                |       |                        |                        |
| (i) Trade receivables               | 8     | 9,930,446              | 7,574,279              |
| (ii) Cash and cash equivalents      | 9     | 2,812,163              | 3,343,969              |
| (c) Other current assets            | 10    | 1,204,428              | 5,567,958              |
| <b>Total current assets</b>         |       | <b>37,347,987</b>      | <b>28,482,113</b>      |
| <b>Total assets</b>                 |       | <b>44,658,592</b>      | <b>37,339,684</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                    |       | 8,707,855              | 8,234,941              |
| <b>Total equity</b>                 |       | <b>14,817,855</b>      | <b>14,344,941</b>      |
| <b>2 Non-Current Liabilities</b>    |       |                        |                        |
| (a) Financial Liabilities           |       |                        |                        |
| (i) Lease Liabilities               | 27    | 5,243,739              | 6,133,572              |
|                                     |       | <b>5,243,739</b>       | <b>6,133,572</b>       |
| <b>3 Current liabilities</b>        |       |                        |                        |
| (a) Financial Liabilities           |       |                        |                        |
| (i) Trade payables                  | 12    | 23,110,925             | 14,994,711             |
| (ii) Lease Liabilities              | 27    | 1,165,304              | 1,475,082              |
| (b) Other current liabilities       | 13    | 95,316                 | 76,284                 |
| <b>Total current Liabilities</b>    |       | <b>24,596,997</b>      | <b>16,861,170</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b> |       | <b>44,658,592</b>      | <b>37,339,684</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

**HLB Querétaro**  
**León Tello García y Asociados SC**  
**LTG080207TPS**

Place : Queretaro, Mexico  
 Date : May 20, 2022

**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 2022**  
All amounts are in Mexican Peso

| Particulars |   | Notes | Year ended<br>31 Mar 2022 | Year ended<br>31 Mar 2021 |
|-------------|---|-------|---------------------------|---------------------------|
| <b>I</b>    | Revenue From Operations   | 14    | 74,522,953                | 78,068,025                |
| <b>II</b>   | Other Income  | 15    | 805,703                   | 1,814,088                 |
| <b>III</b>  | <b>Total Income (I+ II)</b>   |       | <b>75,328,655</b>         | <b>79,882,113</b>         |
| <b>IV</b>   | <b>EXPENSES</b>   |       |                           |                           |
| (a)         | Cost of materials consumed  | 16    | 59,805,997                | 50,218,817                |
| (b)         | Changes in inventories of finished goods and work-in-progress & intermediates | 17    | (7,566,889)               | 4,033,806                 |
| (c)         | Employee benefits expense   | 18    | 7,475,600                 | 7,051,825                 |
| (d)         | Finance costs   | 19    | 248,562                   | 341,712                   |
| (e)         | Depreciation and amortization expense   | 20    | 1,586,186                 | 1,619,177                 |
| (f)         | Other expenses  | 21    | 12,412,312                | 8,120,615                 |
|             | <b>Total expenses (IV)</b>  |       | <b>73,961,767</b>         | <b>71,385,951</b>         |
| <b>V</b>    | <b>Profit/(loss) before tax</b>   |       | <b>1,366,888</b>          | <b>8,496,162</b>          |
| <b>VI</b>   | <b>Tax expense</b>  | 22    |                           |                           |
|             | Current tax   |       | 898,895                   | 1,844,187                 |
|             | Deferred tax  |       | (4,920)                   | (11,088)                  |
|             | <b>Total tax expenses</b>   |       | <b>893,975</b>            | <b>1,833,098</b>          |
| <b>VII</b>  | <b>Profit after tax</b>   |       | <b>472,914</b>            | <b>6,663,063</b>          |
| <b>VIII</b> | Earnings per equity share:  | 23    |                           |                           |
|             | (1) Basic   |       | 77.53                     | 1,092.31                  |
|             | (2) Diluted   |       | 77.53                     | 1,092.31                  |

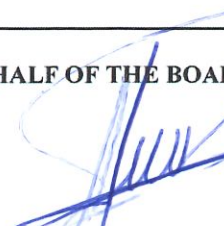

The accompanying notes are an integral part of the financial statements.

As per our report of event date

**HLB LEÓN TELLO GARCÍA Y ASOCIADOS, S.C.**  
Auditors & Consultants

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

  
**HLB Querétaro**  
**León Tello García y Asociados SC**  
**LTG080207TPS**

  
  
**Eusebi Vila Viña**    **Ramon Vila Viña**  
**Director**                      **Director**

Place : Queretaro, Mexico  
Date : May 20, 2022

LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)  
Notes to the financial statements for the Year ended 31st March 2022  
All amounts are in Mexican Peso unless otherwise stated

| 11 (a) Equity share capital  | As at 31st Mar 2022 |                  | As at 31st Mar 2021 |                  |
|------------------------------|---------------------|------------------|---------------------|------------------|
|                              | 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 2022 |                  | As at 31st Mar 2021 |                  |
|---|---------------------|------------------|---------------------|------------------|
|   | 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

| Name of Share Holders         | As at 31st Mar 2022 |           | As at 31st Mar 2021 |           |
|-------------------------------|---------------------|-----------|---------------------|-----------|
|                               | 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 2022 |                    |                  | As at 31st Mar 2021 |                    |                  |
|--|---------------------|--------------------|------------------|---------------------|--------------------|------------------|
|  | Retained Earnings   | General reserve    | Total            | Retained Earnings   | General reserve    | Total            |
| Balance at the beginning of the reporting year | 11,155,609          | (2,920,667)        | 8,234,941        | 4,492,545           | (2,920,667)        | 1,571,878        |
| Add: Profit / (Loss) for the year              | 472,914             | -                  | 472,914          | 6,663,063           | -                  | 6,663,063        |
| Balance at the end of the reporting year       | <u>11,628,523</u>   | <u>(2,920,667)</u> | <u>8,707,855</u> | <u>11,155,609</u>   | <u>(2,920,667)</u> | <u>8,234,941</u> |



**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<br>31 Mar 2022 | Year ended<br>31 Mar 2021 |
|--|---------------------------|---------------------------|
| <b><u>Cash flow from Operating Activities :</u></b>                              |                           |                           |
| Profit/(Loss) before tax   | 1,366,888                 | 8,496,162                 |
| Adjustments for:   |                           |                           |
| Add:- Interest   | 248,562                   | 341,712                   |
| Add: Depreciation  | 1,586,186                 | 1,619,177                 |
| <b>Operating profit before working capital changes</b>                           | <b>3,201,636</b>          | <b>10,457,050</b>         |
| <b><u>Change in working Capital</u></b>  |                           |                           |
| <b><u>Increase (-)/Decrease(+) in Current Asset</u></b>                          |                           |                           |
| Inventories  | (11,405,044)              | 3,513,428                 |
| Trade receivables  | (2,356,167)               | 618,910                   |
| Loans  | -                         | (8,315)                   |
| Other assets   | 4,581,481                 | (2,493,548)               |
| <b><u>Increase (+)/Decrease(-) in Current Liabilities</u></b>                    |                           |                           |
| Trade payables   | 8,116,214                 | (6,923,625)               |
| Other current liabilities  | 19,032                    | (7,675)                   |
| <b>Net change in working capital</b>   | <b>(1,044,483)</b>        | <b>(5,300,824)</b>        |
| <b>Cash generated from operations</b>  | <b>2,157,153</b>          | <b>5,156,226</b>          |
| Direct taxes (paid)/refund   | (988,536)                 | (1,189,950)               |
| <b>Net cash generated from operating activities</b>                              | <b>1,168,617</b>          | <b>3,966,276</b>          |
|  | A                         |                           |
| <b><u>Cash Flow from Investing activities</u></b>                                |                           |                           |
| Purchase of fixed assets   | (252,252)                 | (71,761)                  |
| <b>Net cash used in investing activities</b>                                     | <b>(252,252)</b>          | <b>(71,761)</b>           |
|  | B                         |                           |
| <b><u>Cash flow from Financing activities</u></b>                                |                           |                           |
| Borrowings during the period   |                           |                           |
| Repayment of principal portion of Lease liability (IND AS 116)                   | (1,199,608)               | (1,224,223)               |
| Finance cost   | (248,562)                 | (341,712)                 |
| <b>Net cash used in investing activities</b>                                     | <b>(1,448,170)</b>        | <b>(1,565,936)</b>        |
|  | C                         |                           |
| <b>Net increase/(decrease) in cash and cash equivalents during the period</b>    | <b>(531,806)</b>          | <b>2,328,580</b>          |
|  | (A+B+C)                   |                           |
| <b>Opening Cash &amp; cash equivalent at the beginning of the period</b>         | <b>3,343,969</b>          | <b>1,015,389</b>          |
| <b>Cash and cash equivalents at the end of the period</b>                        | <b>2,812,163</b>          | <b>3,343,969</b>          |
| <b><u>Reconciliation of cash and cash equivalents with the Balance sheet</u></b> |                           |                           |
| Cash on hand   | 12,000                    | 12,000                    |
| Balances with banks  | 2,800,163                 | 3,331,969                 |
| <b>Cash and cash equivalents as per Balance Sheet</b>                            | <b>2,812,163</b>          | <b>3,343,969</b>          |
|  | (0)                       |                           |

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

Place : Queretaro, Mexico  
Date : May 10, 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

  
**Eusebi Yila Viña**  
Director

  
**Ramon Yila 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).

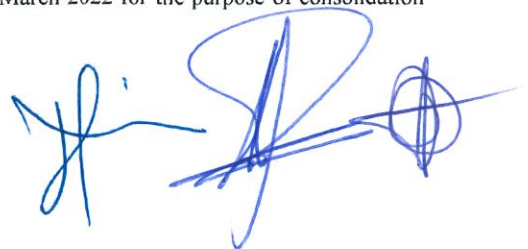
**2.2 Basis of accounting and preparation of financial statements**

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 2021 to 31 March 2022 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 three distinct parts: a stylized initial 'S' on the left, a large looped flourish in the middle, and a circular scribble on the right.



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

| Particulars                | As at<br>31 March, 2022 | As at<br>31 March, 2021 |
|----------------------------|-------------------------|-------------------------|
| <b>Carrying Amount of:</b> |                         |                         |
| Furniture and fixtures     | 103,331                 | 120,530                 |
| Computers                  | 105,997                 | 103,659                 |
| Plant and machinery        | 113,987                 | 132,201                 |
| Vehicles                   | 271,582                 | 353,150                 |
| Right to use Assets        | 6,206,262               | 7,425,554               |
| <b>Total</b>               | <b>6,801,160</b>        | <b>8,135,094</b>        |

| Particulars                         | Furniture and<br>fixtures | Computers      | Plant and<br>machinery | Vehicles         | Right to use<br>Assets | Total             |
|-------------------------------------|---------------------------|----------------|------------------------|------------------|------------------------|-------------------|
| <b>Cost or deemed cost</b>          |                           |                |                        |                  |                        |                   |
| Balance as on 01 April, 2020        | 167,809                   | 365,793        | 201,818                | 1,054,751        | 10,008,512             | 11,798,682        |
| Assets acquired                     | -                         | 71,761         | -                      | -                | -                      | 71,761            |
| Deletions                           | -                         | -              | -                      | -                | -                      | -                 |
| <b>Balance as on 01 April, 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> |
| Assets acquired                     | -                         | 57,994         | -                      | 194,257          | -                      | 252,252           |
| Deletions                           | -                         | -              | -                      | -                | -                      | -                 |
| <b>Balance as on 31 March, 2022</b> | <b>167,809</b>            | <b>495,548</b> | <b>201,818</b>         | <b>1,249,008</b> | <b>10,008,512</b>      | <b>12,122,694</b> |

| Particulars                                      | Furniture and<br>fixtures | Computers      | Plant and<br>machinery | Vehicles       | Right to use<br>Assets | Total            |
|--|---------------------------|----------------|------------------------|----------------|------------------------|------------------|
| <b>Accumulated depreciation and impairment</b>   |                           |                |                        |                |                        |                  |
| Balance as on 01 April, 2020                     | 30,080                    | 292,954        | 51,403                 | 428,760        | 1,312,976              | 2,116,172        |
| 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 01 April, 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> |
| Depreciation / amortisation expense for the year | 17,199                    | 55,656         | 18,213                 | 275,825        | 1,219,292              | 1,586,185        |
| Accumulated depreciation for assets sold         | -                         | -              | -                      | -              | -                      | -                |
| <b>Balance as on 31 March, 2022</b>              | <b>64,477</b>             | <b>389,550</b> | <b>87,830</b>          | <b>977,427</b> | <b>3,802,249</b>       | <b>5,321,534</b> |

| Particulars                  | Furniture and<br>fixtures | Computers | Plant and<br>machinery | Vehicles | Right to use<br>Assets | Total     |
|------------------------------|---------------------------|-----------|------------------------|----------|------------------------|-----------|
| <b>Carrying amount</b>       |                           |           |                        |          |                        |           |
| Balance as on 01 April, 2021 | 120,530                   | 103,659   | 132,201                | 353,150  | 7,425,554              | 8,135,094 |
| Balance as on 31 March, 2022 | 103,331                   | 105,997   | 113,987                | 271,582  | 6,206,262              | 6,801,161 |

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| Note no | Particulars  | As at<br>31st Mar 2022                        | As at<br>31st Mar 2021    |                           |                  |                          |                   |
|---------|--|---|---------------------------|---------------------------|------------------|--------------------------|-------------------|
| 4       | <b>Financial assets - Long term loans and advances</b>                 |   |                           |                           |                  |                          |                   |
|         | Security Deposits  | 142,558                                       | 163,272                   |                           |                  |                          |                   |
|         |  | <u>142,558</u>                                | <u>163,272</u>            |                           |                  |                          |                   |
| 5       | <b>Deferred tax assets (net)</b>                                       |   |                           |                           |                  |                          |                   |
|         | Deferred tax (IND AS 116)  | 59,850  | 54,930                    |                           |                  |                          |                   |
|         |  | <u>59,850</u>                                 | <u>54,930</u>             |                           |                  |                          |                   |
| 6       | <b>Other non-current assets</b>  |   |                           |                           |                  |                          |                   |
|         | Prepaid expenses   | 307,037                                       | 504,275                   |                           |                  |                          |                   |
|         |  | <u>307,037</u>                                | <u>504,275</u>            |                           |                  |                          |                   |
| 7       | <b>Inventories</b>   |   |                           |                           |                  |                          |                   |
|         | (At lower of cost and net realisable value)                            |   |                           |                           |                  |                          |                   |
|         | Raw materials and packing materials                                    | 5,511,127                                     | 1,672,972                 |                           |                  |                          |                   |
|         |  | <u>5,511,127</u>                              | <u>1,672,972</u>          |                           |                  |                          |                   |
|         | Work-in-progress and intermediates                                     | -   | 184,752                   |                           |                  |                          |                   |
|         | Finished goods   | 11,494,917                                    | 3,473,062                 |                           |                  |                          |                   |
|         | Stock in trade   | -   | 5,863,534                 |                           |                  |                          |                   |
|         | Stock in trade (In Transit)  | 6,394,907                                     | 801,587                   |                           |                  |                          |                   |
|         |  | <u>17,889,824</u>                             | <u>10,138,182</u>         |                           |                  |                          |                   |
|         |  | <u>23,400,950</u>                             | <u>11,995,906</u>         |                           |                  |                          |                   |
|         | Note : Inventory provision made during March 2022 Nil (March 2021 Nil) |   |                           |                           |                  |                          |                   |
| 8       | <b>Financial Assets</b>  |   |                           |                           |                  |                          |                   |
|         | <b>Trade receivables</b>   |   |                           |                           |                  |                          |                   |
|         | (a) Unsecured, considered good   | 9,726,799                                     | 7,389,285                 |                           |                  |                          |                   |
|         | (b) Unsecured, considered good(others)                                 | 203,647                                       | 184,995                   |                           |                  |                          |                   |
|         |  | <u>9,930,446</u>                              | <u>7,574,279</u>          |                           |                  |                          |                   |
|         | Less: Provision for doubtful debts                                     | -   | -                         |                           |                  |                          |                   |
|         |  | <u>9,930,446</u>                              | <u>7,574,279</u>          |                           |                  |                          |                   |
|         | <u>Ageing as at 31.03.2022</u>   |   |                           |                           |                  |                          |                   |
|         | <b>Particulars</b>   | <b>Outstanding for following periods from</b> |                           |                           |                  |                          |                   |
|         |  | <b>Not Due</b>                                | <b>Less than 6 months</b> | <b>6 months - 1 years</b> | <b>1-2 years</b> | <b>2-3 years</b>         | <b>Total</b>      |
|         | (i) Undisputed Trade Receivables - considered good                     | 7,295,712                                     | 2,332,538                 | 278,400                   | 11,177           | 12,620                   | 9,930,446         |
|         | <u>Ageing as at 31.03.2021</u>   |   |                           |                           |                  |                          |                   |
|         | <b>Particulars</b>   | <b>Outstanding for following periods from</b> |                           |                           |                  |                          |                   |
|         |  | <b>Not Due</b>                                | <b>Less than 6 months</b> | <b>6 months - 1 years</b> | <b>1-2 years</b> | <b>2-3 years</b>         | <b>Total</b>      |
|         | (i) Undisputed Trade Receivables - considered good                     | 5,919,887                                     | 1,518,959                 | 121,320                   | 7,487            | 6,626                    | 7,574,279         |
| 9       | <b>Cash and cash equivalents</b>                                       |   |                           |                           |                  |                          |                   |
|         | Cash with Employees  |   |                           |                           |                  | 12,000                   | 12,000            |
|         | Balances with banks  |   |                           |                           |                  |                          |                   |
|         | - In current accounts  |   |                           |                           |                  | 2,800,163                | 3,331,969         |
|         |  |   |                           |                           |                  | <u>2,812,163</u>         | <u>3,343,969</u>  |
| 10      | <b>Other current assets</b>  |   |                           |                           |                  |                          |                   |
|         | Balances with government authorities                                   |   |                           |                           |                  | 1,204,428                | 5,567,958         |
|         |  |   |                           |                           |                  | <u>1,204,428</u>         | <u>5,567,958</u>  |
| 12      | <b>Trade payable</b>   |   |                           |                           |                  |                          |                   |
|         | Trade payable  |   |                           |                           |                  | 23,110,925               | 14,994,711        |
|         |  |   |                           |                           |                  | <u>23,110,925</u>        | <u>14,994,711</u> |
|         | <u>Ageing as at 31.03.2022</u>   |   |                           |                           |                  |                          |                   |
|         | <b>Particulars</b>   | <b>Outstanding for following periods from</b> |                           |                           |                  |                          |                   |
|         |  | <b>Not Due</b>                                | <b>Less than 1 year</b>   | <b>1-2 years</b>          | <b>2-3 years</b> | <b>More than 3 years</b> | <b>Total</b>      |
|         | (i) Undisputed Trade Receivables - considered good                     | 15,282,647                                    | 7,602,310                 | 224,427                   | -                | 1,542                    | 23,110,925        |
|         | <u>Ageing as at 31.03.2021</u>   |   |                           |                           |                  |                          |                   |
|         | <b>Particulars</b>   | <b>Outstanding for following periods from</b> |                           |                           |                  |                          |                   |
|         |  | <b>Not Due</b>                                | <b>Less than 1 year</b>   | <b>1-2 years</b>          | <b>2-3 years</b> | <b>More than 3 years</b> | <b>Total</b>      |
|         | (i) Undisputed Trade Receivables - considered good                     | 5,579,572                                     | 9,380,793                 | -                         | 34,346           | -                        | 14,994,711        |
| 13      | <b>Other Current Liabilities</b>                                       |   |                           |                           |                  |                          |                   |
|         | Statutory remittances  |   |                           |                           |                  | 95,316                   | 76,284            |
|         |  |   |                           |                           |                  | <u>95,316</u>            | <u>76,284</u>     |
| 14      | <b>Provision for taxation</b>  |   |                           |                           |                  |                          |                   |
|         | Total  |   |                           |                           |                  | 225,452                  | 315,093           |
|         | (Net off Advance Tax 31 Mar 22 1064378 Pesos , 31 Mar 21 Pesos 207315) |   |                           |                           |                  | <u>225,452</u>           | <u>315,093</u>    |



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| Note no   | Particulars  | Year ended<br>31 Mar 2022 | Year ended<br>31 Mar 2021 |
|-----------|--|---------------------------|---------------------------|
| <b>14</b> | <b>Revenue from operations</b>   |                           |                           |
|           | a) Sale of products  | 73,419,387                | 77,327,238                |
|           | d) Other operating revenues  | 1,103,565                 | 740,787                   |
|           |  | <u>74,522,953</u>         | <u>78,068,025</u>         |
|           | <b>Reconciliation of revenue from sale of products and services with the contracted price:</b> |                           |                           |
|           | Contracted Price   | 77,006,424                | 78,944,655                |
|           | Less: trade discounts, sales and expiry return   | 2,483,471                 | 876,630                   |
|           |  | <u>74,522,953</u>         | <u>78,068,025</u>         |
| <b>15</b> | <b>Other Income</b>  |                           |                           |
|           | Interest income  | 66                        | 60                        |
|           | Other non-operating income   | 11,731                    | -                         |
|           | Net gain on foreign currency transactions and translation                                      | 793,906                   | 1,814,028                 |
|           |  | <u>805,703</u>            | <u>1,814,088</u>          |
| <b>16</b> | <b>Cost of materials consumed</b>  |                           |                           |
|           | Opening stock  | 1,672,972                 | 1,152,595                 |
|           | Add: Purchases   | 63,644,152                | 50,739,194                |
|           | Less: Closing stock  | 5,511,127                 | 1,672,972                 |
|           |  | <u>59,805,997</u>         | <u>50,218,817</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   | 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>Closing stock</b>   |                           |                           |
|           | Work-in-progress and intermediates   | -                         | 184,752                   |
|           | Finished goods   | 11,494,917                | 3,473,062                 |
|           | Stock in trade   | 6,394,907                 | 6,665,121                 |
|           |  | <u>17,889,824</u>         | <u>10,322,935</u>         |
|           | <b>Net (increase) / decrease</b>   | <u>(7,566,889)</u>        | <u>4,033,806</u>          |
| <b>18</b> | <b>Employee benefits expense</b>   |                           |                           |
|           | Salaries and wages   | 7,337,133                 | 6,971,819                 |
|           | Staff welfare expenses   | 138,467                   | 80,006                    |
|           |  | <u>7,475,600</u>          | <u>7,051,825</u>          |
| <b>19</b> | <b>Finance costs</b>   |                           |                           |
|           | Interest expense   | 105,920                   | 173,250                   |
|           | Other borrowing costs  | 36,932                    | 44,291                    |
|           | Lease Interest expense   | 105,710                   | 124,171                   |
|           |  | <u>248,562</u>            | <u>341,712</u>            |
| <b>20</b> | <b>Depreciation and amortization expense</b>   |                           |                           |
|           | Tangible assets  | 366,894                   | 349,195                   |
|           | Lease Amortisation (IND AS 116)  | 1,219,292                 | 1,269,981                 |
|           |  | <u>1,586,186</u>          | <u>1,619,177</u>          |
| <b>21</b> | <b>Other expenses</b>  |                           |                           |
|           | Travel expenses  | 784,679                   | 470,260                   |
|           | Communication expenses   | 142,492                   | 183,124                   |
|           | Consumables  | 267,294                   | 565,192                   |
|           | Legal and Professional charges   | 5,219,347                 | 1,141,433                 |
|           | Freight and forwarding   | 1,175,537                 | 936,510                   |
|           | Power and fuel   | 881,328                   | 594,939                   |
|           | Rent expenses  | 144,875                   | 26,661                    |
|           | Analytical charges   | 1,367,676                 | 954,418                   |
|           | Repairs to buildings   | 8,873                     | 6,269                     |
|           | Repairs to others  | 455,279                   | 556,393                   |
|           | Insurance  | 577,169                   | 352,913                   |
|           | Advertisement and selling expenses   | 473,174                   | 826,515                   |
|           | Marketing Expenses   | 276,570                   | 76,918                    |
|           | Rates and taxes  | 271,981                   | 509,820                   |
|           | Other expenses   | 366,037                   | 919,251                   |
|           |  | <u>12,412,312</u>         | <u>8,120,615</u>          |

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| Note no | Particulars  | Year ended<br>31 Mar 2022                | Year ended<br>31 Mar 2021                |
|---------|--|--|--|
| 22      | <b>Tax expense</b>   |  |  |
|         | Current tax  | 898,895                                  | 1,844,187                                |
|         | Deferred tax   | (4,920)                                  | (11,088)                                 |
|         |  | <u>893,975</u>                           | <u>1,833,098</u>                         |
| 23      | <b>Earning per Share</b>   |  |  |
|         |  | <b>01 Apr 2021 to<br/>31 March, 2022</b> | <b>01 Apr 2020 to<br/>31 March, 2021</b> |
|         | Net profit / (loss) for the period as per statement of profit and loss   | 472,914                                  | 6,663,063                                |
|         | Net profit / (loss) for the period attributable to the equity shareholders   | 472,914                                  | 6,663,063                                |
|         | Weighted average number of equity shares   | 6,100                                    | 6,100                                    |
|         | Earnings / (Loss) per share - Basic  | 77.53                                    | 1,092.31                                 |
|         | Earnings / (Loss) per share - Diluted  | 77.53                                    | 1,092.31                                 |
| 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<br/>31 Mar 2022</b>        | <b>Year ended<br/>31 Mar 2021</b>        |
|         | Rest of the World  | 74,522,953                               | 78,068,025                               |
|         | <b>Total</b>   | <u>74,522,953</u>                        | <u>78,068,025</u>                        |
| II      | <b>Total Assets</b>  | <b>Year ended<br/>31 Mar 2022</b>        | <b>Year ended<br/>31 Mar 2021</b>        |
|         | Rest of the World  | 44,658,592                               | 35,672,546                               |
|         | <b>Total Segment Assets</b>  | <u>44,658,592</u>                        | <u>35,672,546</u>                        |
| III     | <b>Cost incurred during the Year to acquire Segment Assets</b>   | <b>Year ended<br/>31 Mar 2022</b>        | <b>Year ended<br/>31 Mar 2021</b>        |
|         | Rest of the World  | 252,252                                  | 71,761                                   |
|         |  | <u>252,252</u>                           | <u>71,761</u>                            |
| 25      | <b>Contingent liabilities and commitments</b>  |  |  |
|         | There are no contingent liabilities or Capital Commitments as on 31 March 2022 and 31 March 2021.  |  |  |
| 26      | <b>Foreign currency exposure</b>   |  |  |
|         |  | <b>As at<br/>31 Mar 2022</b>             | <b>As at<br/>31 Mar 2021</b>             |
|         | Foreign currency   |  |  |
|         | Trade Payable in Euros   | 176,323                                  | 78,069                                   |



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 2022:

|                                    | Year ended<br>31 Mar 2022 | Year ended<br>31 Mar 2021 |
|------------------------------------|---------------------------|---------------------------|
| Balance as at 1 April 2021         | 7,608,654                 | 8,841,674                 |
| Addition during the year           | -                         | -                         |
| Accretion of interest              | 105,710                   | 124,171                   |
| Payments                           | (1,305,321)               | (1,357,191)               |
| <b>Balance as at 31 March 2022</b> | <b>6,409,043</b>          | <b>7,608,654</b>          |
| Current                            | 1,165,304                 | 1,475,082                 |
| Non-current                        | 5,243,739                 | 6,133,572                 |

The effective interest rate for lease liabilities is 1.5%

The following are the amounts recognised in profit or loss:

|  | Year ended<br>31 Mar 2022 | Year ended<br>31 Mar 2021 |
|--|---------------------------|---------------------------|
| Depreciation expense of right-of-use assets      | 1,219,292                 | 1,269,981                 |
| Interest expense on lease liabilities            | 105,710                   | 124,171                   |
| <b>Total amount recognised in profit or loss</b> | <b>1,325,002</b>          | <b>1,394,152</b>          |

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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<br>31 March 2022 | Year ended<br>31 March 2021 |
|--|-----------------------------|-----------------------------|
| i) Income tax expense recognised in the statement of profit and loss |                             |                             |
| Current tax  | 898,895                     | 1,844,187                   |
| <b>Total (I)</b>   | <b>898,895</b>              | <b>1,844,187</b>            |
| <b>Deferred tax charge</b>   |                             |                             |
| Origination and reversal of temporary differences                    | (4,920)                     | (11,088)                    |
| <b>Total (II)</b>  | <b>(4,920)</b>              | <b>(11,088)</b>             |
| <b>Provision for tax of earlier years written back (III)</b>         | <b>-</b>                    | <b>-</b>                    |
| <b>Total (IV = I+II+III)</b>   | <b>893,975</b>              | <b>1,833,098</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 2022  | 31 March 2021    |
|--|----------------|------------------|
| Profit before tax  | 1,366,888      | 8,496,162        |
| Statutory income tax rate  | 30.00%         | 30.00%           |
| <b>Tax as per applicable tax rate</b>                                  | <b>410,067</b> | <b>2,548,848</b> |
| <b>Differences due to:</b>   |                |                  |
| - Exempted income  | (483,908)      | -                |
| - Disallowed expenses  | -              | 715,750          |
| <b>Income tax expenses charged to the statement of profit and loss</b> | <b>893,975</b> | <b>1,833,098</b> |
| <b>Effective tax rate</b>  | <b>65.40%</b>  | <b>21.58%</b>    |

C) Movement in deferred tax assets and liabilities

|                           | 31 March 2022          |  |  |  |                        |
|---------------------------|------------------------|--|--|--|------------------------|
|                           | As at 01 April<br>2020 | Recognised before<br>acquisition/<br>under business<br>combination | Credit /<br>(charge) in<br>the<br>statement of<br>profit and<br>loss | Credit / (charge)<br>in other<br>comprehensive<br>income | As at 31 March<br>2021 |
| - Right-of-use assets (*) | 54,930                 | -  | 4,920  | -  | 59,850                 |
| <b>Total</b>              | <b>54,930</b>          | <b>-</b>   | <b>4,920</b>   | <b>-</b>   | <b>59,850</b>          |

|   | 31 March 2021          |   |  |  |                        |
|---|------------------------|---|--|--|------------------------|
|   | As at 01 April<br>2020 | Recognised<br>before<br>acquisition/<br>under business<br>combination | Credit /<br>(charge) in<br>the<br>statement of<br>profit and<br>loss | Credit / (charge)<br>in other<br>comprehensive<br>income | As at 31 March<br>2021 |
| - Right-of-use assets (*)                               | 43,842                 | -   | 11,088   | -  | 54,930                 |
| - Other   | -                      | -   | -  | -  | -                      |
| <b>Tax assets / (liabilities)</b>                       | <b>43,842</b>          | <b>-</b>  | <b>11,088</b>  | <b>-</b>   | <b>54,930</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>          |
| - MAT credit entitlement                                | -                      | -   | -  | -  | -                      |
| <b>Total</b>  | <b>43,842</b>          | <b>-</b>  | <b>11,088</b>  | <b>-</b>   | <b>54,930</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 31st March 2022  
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29 Financial instruments

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

| A)                           | Carrying value and fair value |                   |
|------------------------------|-------------------------------|-------------------|
|                              | 31 March 2022                 | 31 March 2021     |
| <b>Financial assets</b>      |                               |                   |
| Measured at amortised cost   |                               |                   |
| Trade receivables            | 9,930,446                     | 7,574,279         |
| Cash and cash equivalents    | 2,812,163                     | 3,343,969         |
| Other financial assets       | 142,558                       | 163,272           |
| <b>Total</b>                 | <b>12,885,167</b>             | <b>11,081,520</b> |
| <b>Financial liabilities</b> |                               |                   |
| Measured at amortised cost   |                               |                   |
| Trade payables               | 23,110,925                    | 14,994,711        |
| Other financial liabilities  | 6,409,043                     | 7,608,654         |
| <b>Total</b>                 | <b>29,519,968</b>             | <b>22,603,365</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 2022 and 31 March 2021.

| Particulars        | As at 31 March 2022        |           |                   | Total        |
|--------------------|----------------------------|-----------|-------------------|--------------|
|                    | Less than 1 year           | 1-2 years | 2 years and above |              |
| Trade payables     | 23,110,925                 | -         | -                 | 23,110,925   |
| Lease Liability    | 1,165,304                  | 1,165,304 | 4,078,435         | 6,409,043    |
| <b>Particulars</b> | <b>As at 31 March 2021</b> |           |                   | <b>Total</b> |
|                    | Less than 1 year           | 1-2 years | 2 years and above |              |
| Trade payables     | 14,994,711                 | -         | -                 | 14,994,711   |
| Lease Liability    | 1,475,082                  | 1,475,082 | 4,658,490         | 7,608,654    |

C) Capital management

For the purpose of company's management, capital includes issued equity capital and all other equity reserves attributable to the equity shareholders of the company. The primary objective of company's capital management is to maximize the shareholders 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 permit the bank to immediately call loans and borrowings. 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)   | -                  | -                  |
| Cash and bank balances (ii)                            | 2,812,163          | 3,343,969          |
| 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>(2,812,163)</b> | <b>(3,343,969)</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>NA</b>          | <b>NA</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, 2022**  
**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 Animal Health UK Ltd  
 Alivira Saude Animal Brasil Participacoes Ltda  
 Evanvet Distribuidora De Produtos Veterinarios Ltda ( Name changed from 'E Vance Saude Animal Ltda)  
 Alivira Saude Animal Ltda. (Name changed from Interchange Veterinária Indústria E Comércio Ltda )  
 Nourri Sae nutria Animal (Nourric)

**B. Transaction during the period**

| Nature of transactions                  | Year ended<br>31 Mar 2022 | Year ended<br>31 Mar 2021 |
|---|---------------------------|---------------------------|
| <b>(i) Purchases</b>                    |                           |                           |
| Phytotherapeutic Solutions S.L.         | 2,134,115                 | 6,208,150                 |
| <b>(ii) Marketing Expenses Received</b> |                           |                           |
| Phytotherapeutic Solutions S.L.         | 224,838                   | 181,594                   |
| <b>(iii) Interest Expense</b>           |                           |                           |
| Laboratorios Karizoo S.A.               | 10,230                    | 25,000                    |
| <b>(iv) Marketing Expenses Paid</b>     |                           |                           |
| Laboratorios Karizoo S.A.               | 1,227,592                 | -                         |
| <b>(iv) Other Expenses</b>              |                           |                           |
| Laboratorios Karizoo S.A.               | 47,692                    | -                         |



**LABORATORIOS KARIZOO, S.A. DE C.V. (Mexico)**  
**Notes to the financial statements for the year ended 31 March, 2022**  
**All amounts are in Mexican Peso**

**C. Balance as at balance sheet date:**

| Particulars                   | As at<br>31st Mar 2022 | As at<br>31st Dec 2019 |
|-------------------------------|------------------------|------------------------|
| <b>(i) Trade payables</b>     |                        |                        |
| Phytotherapic Solutions S.L.  | 4,347,844              | 5,028,267              |
| Laboratorios Karizoo S.A.     | 890,357                | 538,802                |
| <b>(ii) Trade Receivables</b> |                        |                        |
| Phytotherapic Solutions S.L.  | 107,587                | 83,870                 |

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

Place: Queretaro, Mexico  
 Date: May 20, 2022

**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