

INDEPENDENT AUDITOR'S REPORT

To the Members of Alivira Animal Health Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Alivira Animal Health Limited (“the Company”), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Financial Statements’ section of our report. We are independent of the Company in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the

Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended . This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 48 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 56 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per **Anil Jobanputra**

Partner

Membership Number: 110759

UDIN: 23110759BGVZSO8793

Place of Signature: Thane

Date: May 23, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ALIVIRA ANIMAL HEALTH LIMITED

(Referred to in paragraph 1, under “Report on other legal and regulatory requirements” section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipments have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate.
- (b) As disclosed in note 64 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements (including revised) filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has provided loans and stood guarantee to companies as follows:

(Rs.in Million)		
Particulars	Guarantees	Loans
Aggregate amount granted/ provided during the year		
- Subsidiary	1,139.53	283.22
Balance outstanding as at balance sheet date in respect of above cases		
- Subsidiary	2,704.00	519.40
- Holding Company	380.00	

- (b) During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees to companies are not prejudicial to the Company's interest.
- (c) In respect of loan granted to companies, the schedule of repayment of principal and payment of interest has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loan.
- (d) There are no amounts of loans granted to companies which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loan granted to companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) As disclosed in note 10 to the financial statements, the Company has granted loans repayable on demand to companies. Of these following are the details of the aggregate amount of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	Amount (Rs. in million)
Aggregate amount of loans - Repayable on demand	283.22
Percentage of loans to the total loans	100%

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of animal health products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Loan amounting to Rs. 519.40 million is repayable on demand and terms and conditions for payment of interest thereon has not been stipulated. Such loan and interest thereon have not been demanded for repayment during the relevant financial year. The Company has not defaulted in repayment of other borrowings or payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any amount during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause (xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-LA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3 (xvi) of the Order is not applicable to the Company

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 55 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management-plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 50 to the financial statements

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 50 to the financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per **Anil Jobanputra**

Partner

Membership Number: 110759

UDIN: 23110759BGVZSO8793

Place of Signature: Thane

Date: May 23, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ALIVIRA ANIMAL HEALTH LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of Alivira Animal Health Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per **Anil Jobanputra**

Partner

Membership Number: 110759

UDIN: 23110759BGVZSO8793

Place of Signature: Thane

Date: May 23, 2023

Alivira Animal Health Limited
Balance Sheet as at 31 March 2023
All amounts are in ₹ million unless otherwise stated

	Notes	As at 31 March 2023	As at 31 March 2022
A. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	932.55	1,012.77
(b) Right-of-use assets	4	475.16	483.34
(c) Capital work-in-progress	5	471.84	38.15
(d) Goodwill	6	68.89	68.89
(e) Intangible assets	7	5.02	9.82
(f) Intangible assets under development	8	6.04	2.83
(g) Financial assets			
(i) Investments in subsidiary	9	5,464.40	3,682.00
(ii) Loans	10	519.40	1,756.79
(iii) Other financial assets	11	16.22	16.85
(h) Deferred tax assets (net)	12	154.40	101.13
(i) Income tax assets (net)	13	32.32	37.81
(j) Other non-current assets	14	44.04	40.66
Total non-current assets		8,190.28	7,251.04
2 Current assets			
(a) Inventories	15	849.69	882.97
(b) Financial assets			
(i) Trade receivables	16	1,272.67	1,064.01
(ii) Cash and cash equivalents	17	5.73	26.09
(iii) Bank balances other than (ii) above	18	0.48	16.37
(iv) Other financial assets	19	3.82	8.37
(c) Other current assets	20	135.51	139.30
Total current assets		2,267.90	2,137.11
Total Assets		10,458.18	9,388.15
B. EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	21	477.76	477.76
(b) Other equity	22	4,713.21	4,750.38
Total equity		5,190.97	5,228.14
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	3,276.77	2,428.87
(ii) Lease liabilities	24	98.69	101.42
(b) Provisions	25	53.70	49.89
(c) Other non-current liabilities	26	1.27	1.27
Total non-current liabilities		3,430.43	2,581.45
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	1,145.73	738.04
(ii) Lease liabilities	30	6.00	4.15
(iii) Trade payables	28		
Total outstanding dues of micro enterprises and small enterprises		53.79	57.87
Total outstanding dues of creditors other than micro enterprises and small enterprises		500.29	704.83
(iv) Other financial liabilities	29	54.79	22.69
(b) Provisions	31	17.82	19.71
(c) Other current liabilities	32	58.36	31.27
Total current liabilities		1,836.78	1,578.56
Total liabilities		5,267.21	4,160.01
Total Equity and Liabilities		10,458.18	9,388.15
Significant accounting policies	2		
The accompanying notes are integral part of these financial statements			

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number : 324982E / E300003

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN: 02977405

Sharat Narsapur
Joint Managing
Director
DIN: 02808651

Per Anil Jobanputra
Partner
Membership No: 110759

P V Raghavendra Rao
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

Thane, 23 May 2023

Alivira Animal Health Limited

Statement of Profit and Loss for the year ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

	Notes	Year ended 31 March 2023	Year ended 31 March 2022
1	Revenue from operations	4,400.25	4,784.88
2	Other income	337.89	172.89
3	Total income (1+2)	4,738.14	4,957.77
4	Expenses		
(a)	Cost of materials consumed	1,479.56	1,362.64
(b)	Purchases of stock-in-trade	1,137.79	1,529.28
(c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	57.60	(111.99)
(d)	Employee benefits expense	741.57	682.02
(e)	Finance costs	320.22	227.89
(f)	Depreciation and amortisation expenses	211.66	203.11
(g)	Other expenses	954.29	858.38
	Total expenses (4)	4,902.66	4,751.33
5	Profit before tax and Exceptional item (3-4)	(164.52)	206.44
6	Exceptional item	31.98	-
7	Profit before tax (5-6)	(196.50)	206.44
8	Tax expense / (credits)	43	
(1)	Current tax	-	35.82
(2)	MAT credit entitlement	0.27	5.44
(3)	Current tax of earlier years	1.71	-
(4)	Deferred tax	(54.21)	25.72
	Total tax expense/ (credits) (8)	(52.23)	66.98
9	Profit after tax (7-8)	(144.27)	139.46
10	Other comprehensive income	22	
	Items that will not be reclassified to profit or loss		
(a)	Re-measurement gain on defined benefit plans	1.91	3.79
(b)	Income tax relating to items that will not be reclassified to profit or loss	(0.67)	(1.33)
	Total other comprehensive income (net of tax) (10)	1.24	2.46
11	Total comprehensive income for the year, net of tax (9+10)	(143.03)	141.92
	Earnings per equity share (Face value of share - ₹ 10 each)	44	
(1)	Basic (in ₹)	(3.02)	2.92
(2)	Diluted (in ₹)	(3.02)	2.92
	Significant accounting policies	2	
	The accompanying notes are integral part of these financial statements		

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For S R B C & CO LLP

Chartered Accountants

ICAI firm registration number : 324982E / E300003

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narsapur
Joint Managing
Director
DIN:02808651

Per Anil Jobanputra
Partner
Membership No: 110759

P V Raghavendra Rao
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

Thane, 23 May 2023

Alivira Animal Health Limited
Statement of cash flows for the year ended 31 March 2023
All amounts are in ₹ million unless otherwise stated except for earnings per share information

	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities		
Net Profit before tax and exceptional items	(164.52)	206.44
Adjustments for:		
Depreciation and amortisation expenses	211.66	203.11
Bad trade receivables/advances written off	7.74	1.42
Amortisation of financial guarantee obligations	-	10.21
Provision for trade receivable written back	-	(4.81)
Share based payments to employees	91.58	2.61
Cancellation of Lease	-	(3.89)
Unrealised forex loss / (gain) (net)	(161.98)	(47.50)
Loss / (Profit) on sale of property, plant and equipment	(0.08)	(0.17)
Profit on sale of property, plant and equipment	-	-
Finance costs	320.22	217.68
Gain on sale of investments	-	-
Corporate guarantee commission	(12.77)	(6.79)
Interest income	(97.65)	(32.32)
Operating profit before working capital changes	194.20	545.99
Changes in working capital		
(Increase) / Decrease in trade receivables, loans and advances and other assets	(129.79)	(208.01)
(Increase) / decrease in inventories*	21.93	(200.52)
(Increase) / decrease in margin money and other deposits	16.28	4.41
Increase / (decrease) in trade payables, other payables and provisions	(271.23)	51.13
Net change in working capital	(362.81)	(352.99)
Cash generated from operations	(168.61)	193.00
Income taxes paid (net)	3.78	(34.19)
Net cash generated from operating activities	A (164.83)	158.81
Cash flow from investing activities		
Purchase of property, plant and equipment's and intangible assets	(541.45)	(80.20)
Proceeds from disposal of property, plant and equipments*	0.84	0.25
Redemption of mutual funds	-	-
Loan given to subsidiary company	(290.95)	(426.62)
Loan received back from holding company	-	-
Interest received	4.73	1.72
Net cash used in investing activities	B (826.83)	(504.85)
Cash flow from financing activities		
Proceeds from issue of share capital	-	-
(Repayment)/Proceeds of short-term borrowings (net)	191.93	356.27
Loan received from related parties (net)	651.00	63.00
Payment of principal portion of lease liabilities (Refer 51)	(4.63)	(3.91)
Proceeds from long-term borrowings	165.41	-
Repayments of long-term borrowings	(11.55)	(1.28)
Interest and other borrowing costs	(20.86)	(55.49)
Net cash generated from financing activities	C 971.30	358.59
Net increase in cash and cash equivalents during the year	(A+B+C) (20.36)	12.55
Cash and cash equivalents at the beginning of the year (refer note 17)	26.09	13.54
Cash and cash equivalents at the end of the year (refer note 17)	5.73	26.09

* Includes adjustments made on account of Inventory (Rs. 11.35) and PPE (Rs. 20.63) Written off due to loss by fire Rs. 31.98 (Previous year Nil), Refer Note 42.

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

Reconciliation of liabilities arising from financing activities

As at 31st March 2023	Opening Balance	Cash Flows	Non-Cash Changes	Balance
Borrowings and Lease liabilities	3,272.48	826.75	427.96	4,527.19
Total liabilities from financing activities	3,272.48	826.75	427.96	4,527.19

As at 31st March 2022	Opening Balance	Cash Flows	Non - Cash Changes	Balance
Borrowings and Lease liabilities	2,712.69	414.08	145.71	3,272.48
Total liabilities from financing activities	2,712.69	414.08	145.71	3,272.48

Significant accounting policies (Refer Note 2)

The accompanying notes are integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number : 324982E / E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Per Anil Jobanputra
Partner
Membership No: 110759

Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN:02977405

Sharat Narsapur
Joint Managing
Director
DIN:02808651

Thane, 23 May 2023

P V Raghavendra Rao
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

Alivira Animal Health Limited
Statement of Changes in Equity (SOCIE) for the year ended 31 March 2023
All amounts are in ₹ million unless otherwise stated except for earnings per share information

(a) Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,77,76,470	477.76	4,77,76,470	477.76
Issued during the year	-	-	-	-
Balance at the end of the year	4,77,76,470	477.76	4,77,76,470	477.76

(b) Other equity

	Reserves & Surplus (note 22)					
	Securities premium account	Retained earnings	General Reserve	Other reserves	Share options outstanding account	Total
Opening balance as on 01 April 2021	4,230.73	98.65	52.73	31.79	60.59	4,474.49
Profit for the year	-	139.46	-	-	-	139.46
Other comprehensive income/ (loss) for the year, net of income tax	-	2.46	-	-	-	2.46
Total comprehensive income for the year	-	141.92	-	-	-	141.92
Recognition of share-based payments charged by parent	-	-	-	-	123.19	123.19
Fair value of guarantee given by parent company on loans availed	-	-	-	13.31	-	13.31
Vested ESOP lapsed during the year	-	-	1.51	-	(1.51)	-
Fair value of Corporate Guarantee	-	(2.53)	-	-	-	(2.53)
Balance as at 31 March 2022	4,230.73	238.04	54.24	45.10	182.27	4,750.38
Opening balance as on 01 April 2022	4,230.73	238.04	54.24	45.10	182.27	4,750.38
Profit/ (loss) for the year	-	(144.27)	-	-	-	(144.27)
Other comprehensive income/ (loss) for the year, net of income tax	-	1.24	-	-	-	1.24
Total comprehensive income/ (loss) for the year	-	(143.03)	-	-	-	(143.03)
Recognition of share-based payments charged by parent	-	-	-	-	91.58	91.58
Fair value of guarantee given by parent company on loans availed	-	-	-	16.18	-	16.18
Vested ESOP lapsed during the year	-	-	-	-	-	-
Fair value of Corporate Guarantee	-	(1.90)	-	-	-	(1.90)
Balance as at 31 March 2023	4,230.73	93.11	54.24	61.28	273.85	4,713.21

The accompanying notes are integral part of these financial statements

Significant accounting policies (Refer Note 2)

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number- 324982E / E300003

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Per Anil Jobanputra
Partner

Membership No: 110759
Thane, 23 May 2023

Rajaram Narayanan
Managing Director &
Chief Executive Officer

DIN:02977405

Sharat Narsapur
Joint Managing
Director

DIN:02808651

P V Raghavendra Rao
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

3 Property, plant and equipment

Cost	Buildings	Furniture & fixtures	Office equipment	Computers	Plant & machinery	Vehicles	Total
Balance as on 01 April 2021	554.25	10.05	7.48	14.90	1,182.90	4.56	1,774.14
Additions	35.93	0.98	0.65	11.70	212.70	-	261.96
Deletions	0.01	0.02	0.03	0.15	0.30	-	0.51
Balance as on 31 March 2022	590.17	11.01	8.10	26.45	1,395.30	4.56	2,035.59
Additions	43.00	0.42	0.24	2.87	89.40	-	135.93
Deletions	5.59	0.02	0.17	-	60.01	-	65.79
Balance as on 31 March 2023	627.58	11.41	8.17	29.32	1,424.69	4.56	2,105.73
Accumulated depreciation	Buildings	Furniture & Fixtures	Office equipments	Computers	Plant & machinery	Vehicles	Total
Balance as on 01 April 2021	126.35	5.06	6.64	9.57	691.45	1.89	840.96
Depreciation expense for the year (refer note 40)	25.10	1.15	0.67	3.24	151.56	0.57	182.29
Deletions	0.01	0.02	0.03	0.15	0.22	-	0.43
Balance as on 31 March 2022	151.44	6.19	7.28	12.66	842.79	2.46	1,022.82
Depreciation expense for the year (refer note 40)	28.45	1.21	0.44	4.99	159.10	0.57	194.76
Deletions	1.34	0.01	0.17	-	42.88	-	44.40
Balance as on 31 March 2023	178.55	7.39	7.55	17.65	959.01	3.03	1,173.18
Carrying amount	Buildings	Furniture & Fixtures	Office equipments	Computers	Plant & Machinery	Vehicles	Total
Balance as on 31 March 2022	438.73	4.82	0.82	13.79	552.51	2.10	1,012.77
Balance as on 31 March 2023	449.03	4.02	0.62	11.67	465.68	1.53	932.55

Notes:

i) Title deeds of all the immovable properties are held in the name of the Company.

ii) Refer note 27 for charge created on the assets.

iii) Refer note 48 for capital commitments.

Alivira Animal Health Limited
Notes to the financial statements for the period ended 31 March 2023
All amounts are in ₹ million unless otherwise stated except for earnings per share information

4 Right-of-Use Assets (ROU)

Cost	ROU- Land	ROU- Buildings	ROU- Vehicles	Total
Balance as on 01 April 2021	453.70	77.33	-	531.03
Deletions	-	13.54	-	13.54
Balance as on 31 March 2022	453.70	63.79	-	517.49
Additions	-	-	3.75	3.75
Deletions	-	-	-	-
Balance as on 31 March 2023	453.70	63.79	3.75	521.24
Accumulated depreciation	ROU- Land	ROU- Buildings	ROU- Vehicles	Total
Balance as on 01 April 2021	10.00	15.47	-	25.47
Depreciation expense for the year (refer note 40)	5.00	7.45	-	12.45
Deletions	-	3.77	-	3.77
Balance as on 31 March 2022	15.00	19.15	-	34.15
Depreciation expense for the year (refer note 40)	4.51	7.11	0.31	11.93
Deletions	-	-	-	-
Balance as on 31 March 2023	19.51	26.26	0.31	46.08
Carrying amount	ROU- Land	ROU- Buildings	ROU- Vehicles	Total
Balance as on 31 March 2022	438.70	44.64	-	483.34
Balance as on 31 March 2023	434.19	37.53	3.44	475.16

Alivira Animal Health Limited
Notes to the financial statements for the period ended 31 March 2023
All amounts are in ₹ million unless otherwise stated except for earnings per share information

5 Capital-work-in progress

i. Ageing schedule as on 31.03.2023

Capital-work-in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	372.16	26.27	-	-	398.43
Projects temporarily suspended	73.39	0.02	-	-	73.41

ii. Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2023

Capital-work-in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

iii. Ageing schedule as on 31.03.2022

Capital-work-in progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	38.15	-	-	-	38.15
Projects temporarily suspended	-	-	-	-	-

iv. Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2022

Capital-work-in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

6 Goodwill

6.1 Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units. The carrying amount of goodwill allocated to cash-generating units is as follows:

	As at 31 March 2023	As at 31 March 2022
Lyka Business	33.85	33.85
Veterinary Formulation Division	35.04	35.04
Total	68.89	68.89

Goodwill is monitored by the management of the Company at each cash-generating unit (CGU). The Company tests Goodwill for impairment on an annual basis. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections based on financial budgets covering a period of five years. The planning horizon reflects the assumptions for short to mid-term market developments. The key assumptions used for the calculations were as follows:

	As at 31 March 2023	As at 31 March 2022
Discount rate	17.76%	17.76%
Long term growth rate	4%	4%

The management of the company believes that any reasonably possible change in the key assumption on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. The goodwill is tested for impairment and accordingly no impairment charges were identified for year ended 31 March 2023. (31 March 2022 : Nil).

7 Intangible assets

Cost	Software	Intellectual property rights	Marketing rights	Total
Balance as on 01 April 2021	23.99	322.98	389.26	736.23
Additions during the year	-	-	-	-
Balance as on 31 March 2022	23.99	322.98	389.26	736.23
Additions during the year	0.17	-	-	0.17
Additions from internal developments	-	-	-	-
Balance as on 31 March 2023	24.16	322.98	389.26	736.40

Accumulated amortisation	Software	Intellectual property rights	Marketing rights	Total
Balance as on 01 April 2021	17.64	311.13	389.26	718.03
Amortisation expense for the year (refer note 40)	4.72	3.66	-	8.37
Balance as on 31 March 2022	22.36	314.79	389.26	726.41
Amortisation expense for the year (refer note 40)	1.32	3.65	-	4.97
Balance as on 31 March 2023	23.68	318.44	389.26	731.38

Carrying amount	Software	Intellectual property rights	Marketing rights	Total
Balance as on 31 March 2022	1.63	8.19	-	9.82
Balance as on 31 March 2023	0.48	4.54	-	5.02

8 Intangible assets under development (IAUD)

i. Ageing schedule as on 31.03.2023

Intangible assets under development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3.21	0.70	-	-	3.91
Projects temporarily suspended	-	2.13	-	-	2.13

ii. Completion schedule for intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2023

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.83	-	-	-	2.83

iii. Ageing schedule as on 31.03.2022

Intangible assets under development	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.83	-	-	-	2.83
Projects temporarily suspended	-	-	-	-	-

iv. Completion schedule for intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as on 31.03.2022

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

9 Non-current investments

	As at 31 March 2023	As at 31 March 2022
Investments in subsidiary		
Unquoted equity instruments - carried at cost		
Alivira Animal Health Limited, Ireland	5,464.40	3,682.00
16,681,850 Equity Shares of EURO 1 each fully paid-up (31 March 2022 : 13,781,275 shares) (Refer Note 45.2)		
Total	5,464.40	3,682.00
Aggregate carrying value of unquoted investments	5,464.40	3,682.00

10 Non-current loans

	As at 31 March 2023	Maximum Balance during the year	As at 31 March 2022	Maximum Balance during the year
Unsecured, considered good				
Loan to related parties (refer note 45.3)				
-Alivira Animal Health Limited, Ireland	519.40	2,182.48	1,756.79	1,756.79
Total	519.40	2,182.48	1,756.79	1,756.79

Notes:

i) The above loan are given for business purposes and also includes interest accrued upto 31.03.2023 Rs. 447.52 (31 March 2022: Rs. 354.36).

ii) The above disclosure is pursuant to Section 186 (4) of the Companies Act, 2013

iii) Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013 is as below

Type of Borrower	As at 31 March 2023		As at 31 March 2022	
	Amount outstanding	% of Total	Amount outstanding	% of Total
a) Amount repayable on demand				
-Related Parties	519.40	100%	1,756.79	100%

11 Other non-current financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Security deposits	16.22	16.46
Margin money deposits	-	0.39
Total	16.22	16.85

Note: Balance in margin money deposits were held as security against bank guarantees.

12 Deferred tax assets (net) (refer note 43)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
- Temporary differences on account of depreciation	(25.55)	(45.10)
Total deferred tax liabilities (A)	(25.55)	(45.10)
Deferred tax assets		
- Expenses allowable on payment basis	27.84	26.62
- Unabsorbed depreciation and carried forward of losses	32.77	-
- MAT Credit Entitlement	119.34	119.61
Total deferred tax assets (B)	179.95	146.23
Total (B) - (A)	154.40	101.13

13 Income tax assets (net)

	As at 31 March 2023	As at 31 March 2022
Advance income tax (net of provisions : Rs.165.28) (31 March 2022 : Rs. 161.27)	32.32	37.81
Total	32.32	37.81

14 Other non-current assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Subsidy Receivable	35.21	35.21
Prepaid expenses	6.65	5.44
Capital advances	2.18	0.01
Total	44.04	40.66

Alivira Animal Health Limited
Notes to the financial statements for the period ended 31 March 2023
All amounts are in ₹ million unless otherwise stated except for earnings per share information

15 Inventories

	As at 31 March 2023	As at 31 March 2022
Raw materials and packing materials	163.44	183.25
Goods-in transit	43.61	-
	207.05	183.25
Work-in-progress and intermediates (refer note (i) below)	272.01	233.38
Finished goods	189.38	234.00
Stock-in-trade	99.19	175.84
	288.57	409.84
Stock in transit	79.16	54.12
Fuel	2.90	2.38
Total Inventories (Lower of cost and net realisable value)	849.69	882.97

Notes:

(i) **Details of inventory of work-in-progress and intermediates:**

Bulk drugs	270.38	229.70
Formulations	1.63	3.68
Total	272.01	233.38

(ii) During the year ended 31 March 2023 (Rs.4.61) (31 March 2022: Rs.0.93) net (write back) / provision was recognised as an expense towards provision for slow moving, expired and near expiry inventories.

(iii) During the year ended 31 March 2023, Rs.20.13 (31 March 2022: Rs.14.59) was recognised as an expense for inventories carried at net realisable value.

16 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	965.48	914.98
Unsecured, considered good (related party)	307.19	149.03
Trade receivables - Credit impaired	12.71	6.12
	1,285.38	1,070.13
Impairment allowance (allowance for bad and doubtful debts)		
Less: Allowance for doubtful trade receivables-Credit impaired	12.71	6.12
Total	1,272.67	1,064.01

a. Trade Receivables ageing as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	932.93	337.43	-	2.07	-	0.24	1,272.67
- credit impaired	-	2.79	-	0.71	-	1.61	5.11
(ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	5.96	-	1.64	7.60
Total	932.93	340.22	-	8.74	-	3.49	1,285.38

b. Trade Receivables ageing as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	806.51	247.31	8.15	0.25	1.79	-	1,064.01
- credit impaired	-	-	-	-	0.59	0.11	0.70
(ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	1.30	-	3.60	0.52	5.42
Total	806.51	247.31	9.45	0.25	5.98	0.63	1,070.13

Notes:

1. No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in Note 45.3 .

2. Refer note 54.3 for terms and other details

Alivira Animal Health Limited**Notes to the financial statements for the period ended 31 March 2023**

All amounts are in ₹ million unless otherwise stated except for earnings per share information

17 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with banks		
- In current accounts	5.24	23.40
Cash on hand	0.31	0.07
Cheques on hand	0.18	2.62
Total	5.73	26.09
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	5.73	26.09

18 Bank balances other than (note 17) above

	As at 31 March 2023	As at 31 March 2022
In earmarked accounts		
- Margin money deposits	0.48	16.37
Total	0.48	16.37

Note :Balance in margin money deposits are held as security against bank guarantees.

19 Other current financial assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Claims receivables	3.73	5.35
Foreign exchange forward contracts at FVTPL	0.07	2.76
Interest accrued on fixed deposits	0.02	0.26
Total	3.82	8.37

20 Other current assets

	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Advance to suppliers	38.43	13.51
Balances with government authorities	85.85	119.56
Prepaid expenses	8.04	4.67
Others	3.19	1.56
Total	135.51	139.30

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Rs.	No. of Shares	Rs.
21 Equity Share capital				
(a) Authorised				
Equity shares of Rs.10 each	15,80,00,000	1,580.00	15,80,00,000	1,580.00
(b) Issued, subscribed and fully paid-up				
Equity shares of Rs.10 each	4,77,76,470	477.76	4,77,76,470	477.76
Total		477.76		477.76

Notes:

(i) Reconciliation of the number of shares and amount outstanding

	No. of Shares	Share capital
Fully paid equity shares		
Balance as on 1 April 2021	4,77,76,470	477.76
Share issued during the year	-	-
Balance as on 31 March 2022	4,77,76,470	477.76
Share issued during the year	-	-
Balance as on 31 March 2023	4,77,76,470	477.76

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend proposed by Board of directors is subject to approval of the shareholders in the ensuing annual general meeting.

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 holding company

Name of the shareholder & promoter	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
SeQuent Scientific Limited and its nominees	4,77,76,470	100%	4,77,76,470	100%

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

Equity shares

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
SeQuent Scientific Limited and its nominees	4,77,76,470	100%	4,77,76,470	100%

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

	As at 31 March 2023	As at 31 March 2022
22 Other equity		
Retained earnings	93.11	238.04
Securities premium	4,230.73	4,230.73
Share options outstanding account	273.85	182.27
Other reserves	61.28	45.10
General reserve	54.24	54.24
Total	4,713.21	4,750.38
(a) Retained earnings		
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	238.04	98.65
Add: Profit during the year	(144.27)	139.46
Add: Other comprehensive income	1.24	2.46
Less: Fair value gain on Corporate guarantee	(1.90)	(2.53)
Balance at the end of the year	93.11	238.04
(b) Securities premium account		
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	4,230.73	4,230.73
Balance at the end of the year	4,230.73	4,230.73
(c) Share options outstanding account		
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	182.27	60.59
Add: Employee stock option expenses	91.58	123.19
Less: Transferred to general reserve on vested ESOP lapsed during the year	-	(1.51)
Balance at the end of the year	273.85	182.27
(d) Other reserves		
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	45.10	31.79
Add: Movement during the year	16.18	13.31
Balance at the end of the year	61.28	45.10
(e) General reserve		
	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	54.24	52.73
Add: Vested ESOP lapsed during the year	-	1.51
Balance at the end of the year	54.24	54.24

Nature and purpose of Reserves

(a) Retained earnings

Retained earnings are the profits that the Company has earned till the date, less any transfers to general reserve and dividends or other distributions paid to shareholders.

(b) Securities premium account

Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued.

(c) Share options outstanding account

This relate to shares of the Parent Company, granted by the Parent Company to specific employees of the Company under its employee share based payment arrangement.

(d) Other reserves

The Company has availed certain loans from financial institutions / banks which have been guaranteed by SeQuant Scientific Limited, the Parent Company, at no consideration. Other reserves represents fair value of these services availed from the Parent Company.

(e) General reserve

General reserve represents vested ESOP lapsed on resignation of the employee the Company.

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

23	Non-current borrowings	As at 31 March 2023	As at 31 March 2022
	Secured term loans - at amortised cost		
	From bank (Refer Note 27)	-	-
	From other parties	-	-
	Unsecured term loan - at amortised cost		
	From related parties (Refer Note 45.3)	3,276.77	2,428.87
	Total	3,276.77	2,428.87

(i) The interest on loan from related parties are floating in nature which ranges from 7.50% p.a. to 9.70% p.a. (31 March 2022: 7.50% p.a. to 7.80% p.a.)

24	Other non current Financial liabilities	As at 31 March 2023	As at 31 March 2022
	Lease liabilities (Refer Note 51)	98.69	101.42
	Total	98.69	101.42

25	Non-current provisions	As at 31 March 2023	As at 31 March 2022
	Provision for employee benefits		
	Gratuity (Refer note 47)	27.88	26.02
	Compensated absences (Refer note below)	20.85	18.90
	Others	4.97	4.97
	Total	53.70	49.89

Note:

The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

26	Other non-current liabilities	As at 31 March 2023	As at 31 March 2022
	Corporate guarantee liability	1.27	1.27
	Total	1.27	1.27

27	Current borrowings	As at 31 March 2023	As at 31 March 2022
	Loans repayable on demand		
	Secured loan - at amortised cost		
	From banks (Refer note (i) & (ii) below)	989.29	738.04
	Current maturities of long-term borrowings (Refer note (iii) & (iv) below)	156.44	-
	Total	1,145.73	738.04

Notes:

(i) Working capital loan from banks are secured by a first pari-passu charge on current assets of the Company, both present and future, and unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - holding company, shortfall undertaking from SeQuent Scientific Limited

(ii) The interest rate on Working Capital loans are floating in nature which ranges from 4.77% p.a. to 9.72% p.a. (31 March 2022: 4.8% p.a. to 5.75% p.a.)

Alivira Animal Health Limited
Notes to the financial statements for the period ended 31 March 2023
All amounts are in ₹ million unless otherwise stated except for earnings per share information

(iii) The details of interest rates, repayment terms, securities, guarantees and others terms are disclosed under note 23. Details of current maturities of long-term debt are as below:

	As at 31 March 2023	As at 31 March 2022
Secured term loan from bank		
The Hongkong and Shanghai Banking Corporation Limited, India: Pari Passu charge over fixed assets	156.44	-
Total	156.44	-

(iv) The loan availed from The Hongkong and Shanghai Banking Corporation Limited, India is secured by first Pari-Passu charge on the entire property, plant and equipment of the Alivira Animal Health Limited, India (holding company) including immovable properties both present and future Unconditional irrevocable corporate guarantee of SeQuent Scientific Limited - ultimate holding company, shortfall undertaking from SeQuent Scientific Limited.

(v) During the year, the leverage ratio was not maintained as per the terms of borrowings agreed with two banks. The Company, however, is regular in payment of interest and instalments and the banks have not served any notice for recall of loan balances. The outstanding balance of non-current portion has been classified as current borrowings in the financial statements for the year ended March 31, 2023.

28 Trade payables

	As at 31 March 2023	As at 31 March 2022
Micro and small enterprises (refer note 49)	53.79	57.87
Others	443.63	409.30
Related parties (Refer Note 45.3)	56.66	295.53
Total	554.08	762.70

a. Trade payable ageing as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
-Micro enterprises and small enterprises	-	36.45	17.34	-	-	-	53.79
-Others	-	217.81	273.30	1.71	6.39	0.93	500.14
Disputed Trade Payables							
-Micro enterprises and small enterprises	-	-	-	-	-	-	-
-Others	-	-	-	-	0.15	-	0.15
Total	-	254.26	290.64	1.71	6.54	0.93	554.08

b. Trade payable ageing as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Payables							
-Micro enterprises and small enterprises	8.59	43.42	3.81	-	-	-	55.82
-Others	102.50	568.73	32.10	0.49	0.90	0.11	704.83
Disputed Trade Payables							
-Micro enterprises and small enterprises	-	-	0.20	1.85	-	-	2.05
-Others	-	-	-	-	-	-	-
Total	111.09	612.15	36.11	2.34	0.90	0.11	762.70

Notes:

- (i) Trade payables (other than due to micro and small enterprises) are non-interest bearing and are normally settled in 90 - 120 days.
 (ii) The Company's exposures to currency and liquidity risks related to trade payables is disclosed in note 54.

29 Other current financial liabilities

	As at 31 March 2023	As at 31 March 2022
Interest accrued and due on borrowings	4.76	3.26
Payables on purchase of property, plant and equipments	49.63	12.15
Others	0.40	7.28
Total	54.79	22.69

30 Current lease liabilities

	As at 31 March 2023	As at 31 March 2022
Lease liabilities (Refer Note 51)	6.00	4.15
Total	6.00	4.15

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

31 Current provisions

Provision for employee benefits

Gratuity (refer note 47)

Compensated absences

Other

Total

	As at 31 March 2023	As at 31 March 2022
	4.24	6.14
	7.71	7.48
	5.87	6.09
	17.82	19.71

32 Other current liabilities

Statutory remittances

Advances from customers

Total

	As at 31 March 2023	As at 31 March 2022
	23.33	22.66
	35.03	8.61
	58.36	31.27

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

33 Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	4,280.17	4,714.70
Sale of Services	99.44	54.46
Other operating revenues		
Sale of scrap	7.69	3.74
Duty drawback and other export incentives	12.95	11.98
Total	4,400.25	4,784.88

Notes

(i) **Sale of product comprises**

(a) **Manufactured goods**

Bulk drugs	2,162.05	2,108.78
Formulations	153.04	150.79
Total - Sale of manufactured products	2,315.09	2,259.57

(b) **Traded goods**

Bulk drugs	875.95	1,400.61
Formulations	1,089.13	1,054.52
Total - Sale of traded goods	1,965.08	2,455.13

Total - Sale of products

4,280.17	4,714.70
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Disaggregated revenue disclosure

The company disaggregate the revenue based on geographic locations and it is disclosed under note 46 Segment Reporting.

Trade receivables and contract balances

The company classifies the right to consideration in exchange for deliverables as a trade receivable.

A receivable is the right to consideration that is upon passage of time. Revenue for contracts with customers are recognized at a point in time when the company transfers control over the product to the customers.

Reconciliation of revenue from sale of products and services with the contracted price

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contracted price	4,569.89	4,810.44
Less: trade discounts and returns	190.28	41.28
Sale of products and services	4,379.61	4,769.16

34 Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income (refer note (i) below)	97.65	32.32
Net gain on foreign currency transactions and translation	160.51	68.39
Corporate Cross Charge	67.99	48.31
Gain on sale of property, plant and equipment's	0.08	0.17
Corporate guarantee commission	10.87	6.79
Profit on termination of Lease	-	3.89
Provision for trade receivables written back	-	4.81
Miscellaneous income	0.79	8.21
Total	337.89	172.89

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

(i) Interest income comprises:

Interest on:

Loans to related parties (Refer note 45.2)	93.16	30.86
Other	4.20	0.78
Bank deposits	0.29	0.68
Total	97.65	32.32

35 Cost of materials consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock	183.25	96.25
Add: Purchases	1,503.36	1,449.64
Less: Closing stock	207.05	183.25
Total	1,479.56	1,362.64

Materials consumed comprises:

Solvents	167.02	167.91
Chemicals	1,312.54	1,194.73
Total	1,479.56	1,362.64

36 Purchases of stock-in-trade

	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	1,137.79	1,529.28
Total	1,137.79	1,529.28

Purchases of stock-in-trade comprises:

Bulk drugs	612.33	908.39
Formulations	525.46	620.89
Total	1,137.79	1,529.28

37 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31 March 2023	Year ended 31 March 2022
Opening stock		
Work-in-progress and intermediates	233.38	140.53
Finished goods (including stock-in-trade)	463.96	444.82
	697.34	585.35
Closing stock		
Work-in-progress and intermediates	272.01	233.38
Finished goods (including stock-in-trade)	367.73	463.96
	639.74	697.34
Net increase	57.60	(111.99)

38 Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	531.60	471.68
Contributions to provident fund, gratuity and other funds (Refer note 47)	38.17	37.02
Share-based payments to employees (Refer note 53)	148.40	153.15
Staff welfare expenses	23.40	20.17
Total	741.57	682.02

Alivira Animal Health Limited**Notes to the financial statements for the period ended 31 March 2023**

All amounts are in ₹ million unless otherwise stated except for earnings per share information

39 Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on borrowings	287.13	202.28
Interest expense on leases liabilities (Refer note 51)	10.56	11.95
Other borrowing costs	22.53	13.66
Total	320.22	227.89

40 Depreciation and amortisation expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on tangible assets	194.76	182.29
Depreciation on right-of-use assets	11.93	12.45
Amortization of intangible assets	4.97	8.37
Total	211.66	203.11

Alivira Animal Health Limited**Notes to the financial statements for the period ended 31 March 2023**

All amounts are in ₹ million unless otherwise stated except for earnings per share information

41 Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Travelling and conveyance	59.08	31.30
Communication expenses	5.01	4.45
Consumables	133.74	119.29
Conversion and processing charges	131.26	86.93
Contract labour charges	13.25	9.01
CSR expenses (refer note 50)	4.64	2.82
Legal and professional charges	89.95	68.73
Freight and forwarding	108.81	141.74
Power, water and fuel	144.96	123.24
Rent	4.83	2.20
Analytical charges	53.36	66.63
Repairs and maintenance		
Buildings	2.83	7.79
Machinery	33.57	29.70
Others	14.43	13.79
Insurance	18.95	14.51
Commission on sales	29.18	36.87
Advertisement and selling expenses	48.56	34.53
Rates and taxes	5.26	5.09
Bad loans and advances written off	0.12	0.99
Payments to auditors (refer note (i) below)	4.91	7.53
Bad trade receivables written off	0.66	1.07
Allowance doubtful trade receivable	6.96	(0.64)
Property, plant and equipment written off	0.54	0.08
Miscellaneous expense	39.43	50.73
Total	954.29	858.38

Note:

(i) Payments to the auditors comprises (net of Goods and Services Tax credit):

As auditors - statutory audit	4.55	6.60
Fees for certifications and other services	0.27	0.91
Reimbursement of expenses	0.09	0.02
	4.91	7.53

42 Exceptional Items

	Year ended 31 March 2023	Year ended 31 March 2022
Loss by fire*	31.98	-
Total	31.98	-

* The Company has recognized an estimated loss of book value of assets (Property, Plant and Equipment and Inventory) amounting to Rs.31.98 Millions due to an incident of fire at API facility in Visakhapatnam on 07 May 2022. The manufacturing activities were temporarily disrupted during the first quarter and were resumed to normalcy. The Company has submitted the insurance claim and the same is under process with Insurance Company.

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

43 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 2023	Year ended 31 March 2022
i) Income tax expense recognised in the statement of profit and loss		
Current tax	-	35.82
Total (I)	-	35.82
Deferred Tax charge		
Origination and reversal of temporary differences	(54.21)	25.72
Total (II)	(54.21)	25.72
MAT		
MAT credit entitlement	0.27	5.44
Total (III)	0.27	5.44
Provision for tax of earlier years written back (IV)	1.71	-
Total (V = I+II+III+IV)	(52.23)	66.98
ii) Tax on other comprehensive income		
Re-measurement (gains) / losses on defined benefit plans	0.67	1.33
Total (VI)	0.67	1.33
Total (V+VI)	(51.56)	68.31

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 Company is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	(196.50)	206.44
Statutory income tax rate	34.94%	34.94%
Tax as per applicable tax rate	(68.66)	72.14
Differences due to:		
- Effect of additional allowance net of MAT credit	0.27	(5.44)
- Provision for tax of earlier years written back	1.71	-
- Effect of CSR expenses, loss by fire and others	14.45	0.28
Income tax expenses charged to the statement of profit and loss	(52.23)	66.98
Effective tax rate	26.58%	32.44%

C) Movement in deferred tax assets and liabilities

	As at 1 April 2022	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2023
Deferred tax asset (Net)				
- Temporary differences on account of depreciation	(45.10)	19.55	-	(25.55)
- Expenses allowable on payment basis	26.62	1.89	(0.67)	27.84
- Unabsorbed depreciation and carried forward of losses	-	32.77	-	32.77
- MAT credit entitlement	119.61	(0.27)	-	119.34
Total	101.13	53.94	(0.67)	154.40
	As at 1 April 2021	Credit / (charge) in the statement of profit and loss	Credit in other comprehensive income	As at 31 March 2022
Deferred tax asset (Net)				
- Temporary differences on account of depreciation	(47.07)	1.97	-	(45.10)
- Expenses allowable on payment basis	27.17	0.80	(1.33)	26.62
- Unabsorbed depreciation and carried forward of losses	28.49	(28.49)	-	-
- MAT credit entitlement	125.05	(5.44)	-	119.61
Total	133.64	(31.16)	(1.33)	101.13

D) The Company has not opted for section 115BAA introduced under Taxation Law (Amendment) Ordinance, 2019, considering the accumulated MAT credit, tax losses and other benefits available under the Income Tax Act, 1961.

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

44 Earnings per share**Profit attributable to equity shareholders**

	Year ended 31 March 2023	Year ended 31 March 2022
Profit/ (loss) for the year attributable to equity holders of the Company	(144.27)	139.46
Profit/ (loss) attributable to equity shareholders for basic and diluted earnings	(144.27)	139.46

Weighted average number of equity shares

	Year ended 31 March 2023	Year ended 31 March 2022
Equity shares at beginning of the year	4,77,76,470	4,77,76,470
Effect of shares issued during the year	-	-
Weighted average number of equity shares at end of the year for basic and diluted EPS	4,77,76,470	4,77,76,470

	Year ended 31 March 2023	Year ended 31 March 2022
Basic earnings per share(in ₹)	(3.02)	2.92
Diluted earnings per share(in ₹)	(3.02)	2.92

Alivira Animal Health Limited
Notes to the financial statements for the period ended 31 March 2023
All amounts are in ₹ million unless otherwise stated except for earnings per share information

45 Related party transactions

45.1 List of related parties

(I) Related parties where control exists

a) Ultimate Holding Company

CA Harbor Investments

b) Holding Company

SeQuent Scientific Limited

c) Subsidiaries

Wholly-owned subsidiary:

Alivira Animal Health Limited, Ireland

Step down subsidiaries:

Provet Veteriner Ürünleri San. Ve Tic. A. Ş.

Topkim Topkapi İlaç premiks Sanayi Ve Ticaret A.Ş.

Fendigo SA

Fendigo BV

N-Vet AB

Alivira Saude Animal Brasil Participacoes Ltda

Alivira Saude Animal Ltda. (Name changed from Interchange Veterinária Indústria E Comércio Ltda w.e.f 20 January 2022)

Laboratorios Karizoo, S.A.

Laboratorios Karizoo, S.A. DE C.V. (Mexico)

Comercial Vila Veterinaria De Lleida S.L.

Phytotherapeutic Solutions S.L

Vila Viña Participacions S.L.

Alivira France S.A.S

Bremer Pharma GmbH

Evanvet Distribuidora De Produtos Veterinarios Ltda (Name changed from 'Evanve Saude Animal Ltda w.e.f 03 February 2021)

Alivira Italia S.R.L.

Alivira Animal Health USA LLC

Alivira Animal Health UK Ltd

Nourrie Saude e Nutricao Animal Ltda (amalgamated wef 1st July 2022)

(II) Other related parties with whom transactions have taken place during the year

(a) Key management personnel

Mr. Manish Gupta, Chief Executive Officer & Managing Director (resigned w.e.f 10 April 2022)

Mr. Rajaram Narayan, Chief Executive Officer & Managing Director (appointed w.e.f 11 April 2022)

Mr. Sharat Narasapur, Joint Managing Director

Mr. Tushar Mistry, Chief Financial Officer (resigned w.e.f 31 May 2022)

Mr. P V Raghavendra Rao, Chief Financial Officer (appointed w.e.f 25 July 2022)

Dr. Kamal Sharma, Independent Director

Mr. Rahul Mukim, Non-Executive Director(resigned w.e.f 06 December 2022)

Mrs. Kalpana Mukherjee, Whole-Time Director (resigned w.e.f November 22, 2021)

Ms. Vijayalakshmi Vaithianathan, Non- Executive Director (appointed w.e.f 15, December 2021)

b) Fellow subsidiaries:

SeQuent Research Limited

Note:

i) All the transactions entered with related parties are in the ordinary course of business and on arm's length basis

Above mentioned provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides transactions that have been entered into with related parties for the relevant financial year:

45 Related party transactions

45.2 Transactions for the year

	Holding Company		Wholly-owned subsidiary		Step down subsidiaries		Fellow subsidiaries		Key management personnel and their relatives	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Sale of materials / services										
SeQuent Scientific Limited	27.68	66.71								
Provet Veteriner Ürünleri San. Ve Tic. A. Ş.					1.07	0.49				
Topkim Topkapi İlaç premiks Sanayi Ve Ticaret A.Ş.					1.22	43.91				
Laboratorios Karizoo, S.A.					12.04	-				
Alivira Animal Health Limited, Ireland			334.73	379.40						
Bremer Pharma GmbH					8.68	5.91				
Interest and other income										
Alivira Animal Health Limited, Ireland (*)			93.16	30.86						
Sale of Scrips										
SeQuent Scientific Limited	1.26	2.90								
Interest expenses										
SeQuent Scientific Limited (**)	217.47	175.18					4.16	1.01		
SeQuent Research Limited										
Purchase of materials / consumables										
SeQuent Scientific Limited	1,359.64	1,293.57								
Laboratorios Karizoo, S.A.					-	0.11				
Bremer Pharma GmbH					-	0.85				
SeQuent Research Limited										
Professional fees expenses										
Alivira Animal Health Limited, Ireland			3.16	2.79						
Support services provided										
Alivira Animal Health Limited, Ireland			53.21	46.13						
Processing and conversion charges incurred										
SeQuent Scientific Limited	98.51	33.37								
Reimbursement of expenses from										
Bremer Pharma GmbH					0.40	0.78				
SeQuent Scientific Limited	-	-								
Alivira Animal Health Limited, Ireland			8.70	2.63						
Alivira Saude Animal Ltda.					11.40	1.24				
Alivira Saude Animal Brasil Participacoes Ltda					-	4.85				
Purchase of fixed assets										
SeQuent Research Limited		0.52					0.21	-		
SeQuent Scientific Limited	-									
Managerial remuneration (***)										
Mr. Manish Gupta (#)										
Short-term benefits									0.36	12.81
Termination benefits									3.18	-
Share based payments									-	-
									3.53	12.81
Mr. Rajaram Narayan										
Short-term benefits									9.72	-
Share based payments									-	-
									9.72	-
Mr. Sharat Narsapur										
Short-term benefits									14.76	11.76
Share based payments									-	3.69
									14.76	15.45

(*) Interest income for the year is receivable as on the reporting date and has been included in the loan receivable amount

(**) Interest expense for the year is outstanding as on the reporting date and has been included in the loan payable amount.

(***) Expenses towards gratuity and compensated absences provisions are determined actuary on an overall company basis at the end of each year and accordingly have not been considered in the above information.

(#) The managerial remuneration is approved by the members in the Annual General Meeting on 20th September, 2022.

45 Related party transactions

Transactions for the year

	Holding Company		Wholly-owned subsidiary		Step down subsidiaries		Fellow subsidiaries		Key management personnel and their relatives	
	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Mrs Kalpana Mukherjee										
Short-term benefits									-	1.99
Share based payments									-	-
Director sitting fees									-	1.99
Dr. Kamal K Sharma									0.60	0.80
Analytical charges										
SeQuent Research Limited							37.50	54.81		
Payment towards lease obligation and finance costs										
SeQuent Scientific Limited	9.94	9.26								
Guarantee commission income										
Alivira Animal Health Limited, Ireland			5.01	3.29						
SeQuent Scientific Limited	1.90	1.90								
Bremer Pharma GmbH					0.41	0.31				
Alivira Saude					3.54	1.33				
Guarantee commission expenses										
SeQuent Scientific Limited	16.23	10.21								
Additional guarantee received during the year										
SeQuent Scientific Limited	174.84	423.49								
Additional / (reduction) of guarantee given during the year (net)										
SeQuent Scientific Limited	-	-								
Alivira Animal Saude Brazil					554.75	627.08				
Bremer Pharma					(32.30)	84.03				
Alivira Animal Health Limited, Ireland			617.08	(19.66)						
Employee Stock Option expenses										
SeQuent Scientific Limited	148.40	150.53								
Corporate Cross Charge Income										
SeQuent Scientific Limited	43.96	27.00								
Alivira Animal Health Limited, Ireland			13.02	12.50						
SeQuent Research Limited							11.00	8.81		
Cross Charge Expense										
SeQuent Scientific Limited	32.63	25.88								
Loans given by the Company										
Alivira Animal Health Limited, Ireland			205.54	426.62						
Loans repaid to the company										
SeQuent Research Limited					2.57	-				
Borrowings										
SeQuent Scientific Limited	645.00	20.00								
SeQuent Research Limited					6.00	-				
Investment (Increase due to ESOP cost)										
Alivira Animal Health Limited, Ireland [^]			1,782.40	119.37						

[^] including loan converted into equity during the year

Alivira Animal Health Limited**Notes to the financial statements for the period ended 31 March 2023****All amounts are in ₹ million unless otherwise stated except for earnings per share information****46 Segment Reporting**

Operating segment are reported in a manner consistent with the internal reporting provided to Chief Operating Decision maker (CODM) of the Company. The CODM who is responsible for allocating resources and assessing performance of the segment has been identified as the executive management committee of the Company. The Company is mainly engaged in the business of veterinary healthcare which as per IND AS 108 - Operating segment is considered the only business segment and all other activities of the Company are incidental to this business segment.

The Company operates in three principal geographic locations.

(i) Europe

(ii) Asia

(iii) Rest of the world

	Year ended 31 March , 2023	Year ended 31 March , 2022
I. Revenue from operations		
Europe	1,350.35	1,628.72
Asia	1,543.34	1,501.45
Rest of the world	1,506.56	1,654.71
Total	4,400.25	4,784.88
	As at 31 Mach 2023	As at 31 Mach 2022
II. Total assets		
Europe	39.80	413.06
Asia	3,207.47	2,918.73
Rest of the world	1,040.39	478.63
Total segment assets	4,287.66	3,810.42
Unallocable (*)	6,170.52	5,577.73
Total assets	10,458.18	9,388.15
III. Cost incurred during the year to acquire segment assets		
Europe	-	-
Asia	573.00	77.76
Rest of the world	-	-
Total	573.00	77.76

Information about major customer, refer note 54.3

Note: In presenting geographic information, segment revenue has been based on the selling location in relation to sales to customers and segment assets are based on geographical location of assets.

(*) Unallocable assets comprises of investments in subsidiary, loans and deferred tax assets (net) .

47 Employee benefit plans

(i) Defined contribution plans:

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs 29.32 (31 March 2022 : Rs.27.17) for Provident Fund contributions and Rs.1.69 (31 March 2022 : Rs. 1.89) for Employee State Insurance Scheme contributions in the statement of profit and loss. As at 31 March 2023, contribution of Rs.5.02 (31 March 2022 : Rs.4.77) is outstanding which is paid subsequent to the end of respective reporting periods.

(ii) Defined benefit plan:

The Company has a defined gratuity benefit plan. Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation. The following table summarizes the components of net employee benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

	31 March 2023	31 March 2022
Expense / (income) recognised in the statement of profit and loss:		
Current service cost	7.16	7.95
Net Interest cost	2.00	2.18
Expected return on plan assets	-	(0.01)
Component of defined benefit costs recognised in the statement of profit and loss	9.16	10.12
Expense / (income) recognised in other comprehensive		
Return on plan assets (excluding amounts included in net interest cost)	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.77)	(2.48)
Actuarial (gains) / losses arising from changes in experience adjustments	(0.42)	(1.50)
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.73)	-
Actuarial (gains) / losses arising from adjustment to opening fairvalue	-	0.19
Component of defined benefit costs recognised in other comprehensive income	(1.91)	(3.79)
Total	7.25	6.33

Net defined benefit obligation as reflected in Balance Sheet.

	31 March 2023	31 March 2022
Present value of defined benefit obligation (DBO)	32.12	32.16
Fair value of plan assets	-	-
Net liability recognised in balance sheet	32.12	32.16

A. Movements in the present value of the defined benefit obligation are as follows.

	31 March 2023	31 March 2022
Opening defined benefit obligation	32.16	35.25
Current service cost	7.16	7.95
Interest cost	2.00	2.18
Benefits paid	(7.29)	(7.16)
Acquisition / Divestiture	-	(2.08)
Actuarial loss (gain) arising from:		
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.73)	-
Actuarial gains and losses arising from changes in financial assumptions	(0.77)	(2.48)
Actuarial gains and losses arising from changes in experience adjustments	(0.42)	(1.50)
Closing defined benefit obligation	32.12	32.16

B. Movements in the fair value of plan assets are as follows.

	31 March 2023	31 March 2022
Opening fair value of plan assets	-	0.18
Opening fair value adjustment	-	-
Expected return on plan assets	-	0.01
Remeasurement loss (gain):		
Return on plan assets (excluding amounts included in net interest cost)	-	(0.19)
Closing fair value of plan assets	-	0.00

Actuarial assumptions

The principal assumptions used for the purpose of actuarial valuations are shown in the table below. The assumptions as at the balance sheet date are used to determine the present value of defined benefit obligation at that date.

	31 March 2023	31 March 2022
Financial assumption:		
Discount rate	7.36%	6.89%
Salary escalation rate	7.00%	7.00%
Demographic assumption:		
Withdrawal rate	15.00%	12.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 yrs.	58 yrs.

As per para 83 of Ind AS 19, the rate used to discount post-employment benefit obligation (both funded and unfunded) shall be determined by reference to market yields at the end of the reporting period on government bonds.

Expected future cash flows

	31 March 2023	31 March 2022
Within 1 Year	4.24	6.14
2-5 years	17.99	14.55
6-10 years	14.62	12.01
Average expected future working life is 7.70 years (previous year 6.31 years)		

Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another. Sensitivity analysis for significant actuarial assumptions for the determination of the defined benefit obligation is as follows:

	Impact on the defined benefit obligation	
	100 bps increase	100 bps decrease
31 March 2023		
Discounting rate	(1.52)	1.68
Salary escalation rate	1.67	(1.54)
31 March 2022		
Discounting rate	(1.68)	1.87
Salary escalation rate	1.85	(1.71)

Alivira Animal Health Limited**Notes to the financial statements for the period ended 31 March 2023**

All amounts are in ₹ million unless otherwise stated except for earnings per share information

48 Contingent liabilities and commitments (to the extent not provided for)**Contingent liabilities**

	As at 31 March 2023	As at 31 March 2022
Ramky Escalation charges	9.63	16.66

The Company has a manufacturing plant at Vizag, Andhra Pradesh wherein effluent treatment services are provided by Ramky Pharmacy India Private Limited (Lessor for the lease hold property). The lessor has raised escalated demand of Rs. 49.56 towards Infrastructure development cost out of which an interim demand of Rs. 32.90 has been paid and charged to the statement of Profit & Loss in the earlier years, further during the year company has received a copy of counter claim filed by Ramky to Hon'ble Arbitral Tribunal wherein the original demand of Rs.49.5 has been reduced to Rs.42.5. Accordingly the company believes that the contingent liability will be reduced from Rs.16.6 to Rs.9.6 (reduction of Rs.7.0 i.e. Rs.49.5 less Rs.42.5). The balance amount of Rs. 9.63 is under discussion by lessor with Andhra Pradesh Industrial Infrastructure Corporation and has been disclosed as contingent liability in the financial statements.

	As at 31 March 2023	As at 31 March 2022
Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	30.14	123.20
- Corporate Guarantee given to lenders for loan facility availed by wholly owned subsidiary	1,328.22	711.14
- Corporate Guarantee given to lenders for loan facility availed by step down subsidiary	1,375.37	852.92
- Corporate Guarantee given to lenders for loan facility availed by holding company	380.00	380.00

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

49 Dues to micro and small enterprises

	As at 31 March 2023	As at 31 March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of the year	53.79	57.87
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.25	0.48
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	0.71	1.41
The amount of interest accrued and remaining unpaid at the end of the accounting year	2.97	2.27
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management based on enquiries made by the Management with the creditors.

50 Corporate Social Responsibility Expenses (CSR)

The Company has incurred below expenses towards CSR activities as per section 135 of the Companies Act, 2013 and is included in other expenses:

Details of CSR spent during the financial year:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Amount required to be spent by the company during the year,	4.64	2.82
(ii) Amount of expenditure incurred,	4.64	1.80
(iii) Shortfall at the end of the year*	-	1.02
(iv) Total of previous years shortfall*	1.02	1.65
(v) Total CSR Expenditure	4.64	2.82

(vi) Nature of CSR activities

Promoting healthcare, promoting education, rural development projects etc.

Utilization of Unspent CSR of FY 21-22

	Year ended 31 March 2023	Year ended 31 March 2022
Chirag Rural Development Foundation	-	-
Dev Loka Educational Trust	-	1.02
Total	-	1.02

* Amount was transferred to unspent CSR account

Alivira Animal Health Limited

Notes to the financial statements for the period ended 31 March 2023

All amounts are in ₹ million unless otherwise stated except for earnings per share information

51 Leases**Detailed list and movement of the assets (Refer note 4)**

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the period:

	Year ended 31 March 2023	Year ended 31 March 2022
As at 1 April	105.57	123.15
Additions	3.75	
Deletions	-	(13.67)
Accretion of interest (Refer Note 33)	10.56	11.95
Payments	(15.19)	(15.86)
As at 31 March	104.69	105.57
Current	6.00	4.15
Non-current	98.69	101.42

The effective interest rate for lease liabilities is 10.5%.

Impact on statement of profit and loss decrease in profit for the year

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation and amortisation expenses	11.93	12.45
Other expenses	4.83	2.20
Finance costs	10.56	11.95
Net decrease in profit for the year	27.32	26.60

Maturity Analysis of Lease**Impact on the statement of cash flows increase / (decrease)**

	Year ended 31 March 2023	Year ended 31 March 2022
Payment of principal portion of lease liabilities	(4.63)	(3.91)
Payment of interest portion of lease liabilities	(10.56)	(11.95)
Net cash flows from financing activities	(15.19)	(15.86)

Alivira Animal Health Limited

Notes to the financial statements for the year ended 31 March 2023

All amounts are in Rs. million unless otherwise stated

52 Details of research and development (R&D) expenditure

	31 March 2023			31 March 2022		
	Ambernath Formulations	Vizag API	Total	Ambernath Formulations	Vizag API	Total
Revenue expenditure						
Employee benefit expenses	24.92	40.96	65.88	20.10	35.57	55.67
Legal and professional fees	1.19	0.12	1.31	2.44	0.04	2.48
Raw materials and consumables	0.60	4.25	4.84	7.86	7.54	15.40
Travelling and conveyance	1.19	0.37	1.56	0.06	0.11	0.17
Analytical charges	1.72	28.59	30.31	1.91	37.60	39.51
Depreciation	6.60	3.57	10.17	6.50	3.43	9.93
Repairs & maintenance	0.77	0.67	1.44	1.02	0.53	1.55
Others	14.18	10.31	24.49	4.69	3.44	8.13
Total	51.18	88.82	140.00	44.58	88.26	132.84
Capital expenditure						
Purchase of Property, plant and equipment (including pilot plant)	5.14	0.89	6.03	13.74	-	13.74
Total	5.14	0.89	6.03	13.74	-	13.74

Notes:

- 1 Vizag R&D unit got approved by Department of Scientific and Industrial Research (Certificate no-F. No. TU/IV-RD/4453/2019)
- 2 For Ambernath formulation R&D unit Department of Scientific and Industrial Research application is yet to be made.

53 Share-based payment arrangements:

A. Employees Stock Option Plan:

Pursuant to the Employees Stock Options plan established by the holding company (i.e. Sequent Scientific Limited), stock options were granted to the employees of the Company.

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting Period
11 January 2016 (*)	3,50,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme.	5 years
14 May 2016	1,25,000		
23 May 2017	50,000		
02 November 2018	23,25,000		
03 July 2019	5,00,000		
21 September 2020	70,900	Option granted would vest over a maximum period of 1 years from the date of the grant	1 year
01 March 2021	34,50,000	The options granted would normally vest over a maximum period of 5 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	6 Years
11 April 2022	35,50,000	The options granted would normally vest over a maximum period of 5 to 7 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	7 Years

* Pursuant to sub-division of 1 equity share of Rs.10 each into 5 equity shares of Rs 2 each on 26 February 2016, the no. of options have been adjusted proportionately.

The expense on Employee Stock Option plan debited to the statement of profit and loss during 2022-23 is Rs.148.40. The entire amount pertains to equity-settled employee share-based payment plans.

The Company has revised the estimate, based on legal advice, in respect of number of Employees Stock Options Plan (ESOP) expected to vest under ESOP Scheme 2020, consequent to resignation of the Managing Director and Chief Financial Officer during the current financial year. Accordingly, the Company has reversed the employee benefit expense amounting to Rs.6.78 million during the current financial year.

B. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

	March 31, 2023		March 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees Stock Option Plan:				
Option outstanding at the beginning of the year	10,52,500	84.03	36,24,800	84.77
Granted during the year	35,50,000	86.00	-	-
Exercised during the year	-	-	7,14,200	78.16
Forfeited during the year	80,000	85.80	18,58,100	85.80
Options outstanding at the end of the year	45,22,500	85.54	10,52,500	84.03

The share option outstanding at the end of the year had a weighted average exercise price of Rs. 85.54 (31 March 2022 : Rs 84.03) and weighted average remaining contractual life of 6.17 years (31 March 2022: 3.82 years).

54 Financial Instruments

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

	Carrying value and fair value	
	31 March 2023	31 March 2022
Financial assets		
Measured at amortised cost		
Loans	519.40	1,756.79
Trade receivables	1,272.67	1,064.01
Cash and cash equivalents	5.73	26.09
Other bank balances	0.48	16.37
Other financial assets	19.97	22.46
Investment in a subsidiary	5,464.40	3,682.00
Measured at fair value through profit or loss (FVTPL)		
Foreign exchange forward contracts at FVTPL	0.07	2.76
Total	7,282.72	6,570.48
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long term borrowings)	4,422.50	3,166.91
Trade payables	554.08	762.70
Lease liabilities	104.69	105.57
Other financial liabilities	54.79	22.69
Measured at fair value through profit or loss (FVTPL)		
Foreign exchange forward contracts at FVTPL	-	-
Total	5,136.06	4,057.87

54.1 Fair value hierarchy

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2023 and 31 March 2022:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets / (liabilities) measured at fair value:					
Derivative financial assets designated at fair value through profit or loss (note 30 and 15 respectively):					
Foreign exchange forward contracts- USD	31 March 2023	0.07	-	0.07	-
Foreign exchange forward contracts- USD	31 March 2022	2.76	-	2.76	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

Notes:

(i) Refer note 2 (xi) under significant accounting policies for recognition and measurement of financial assets.

(ii) Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

54.2 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.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

54.3 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 receivable. 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 assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The credit risk on liquid funds and derivatives 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 credit worthiness 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:

	As at 31 March 2023	As at 31 March 2022
Outstanding for more than 6 months	12.23	16.31
Others	1,273.15	1,053.82
	1,285.38	1,070.13

The Company continuously monitors defaults of customers and other counterparties, identified and incorporates this information into its credit risk controls.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased for export customers.

There is no revenue from single external customer more than 10% of Company's total revenue for the year ended 31 March 2023.

In addition, the Company is exposed to credit risk in relation to financial guarantees provided by the company. The company's maximum exposure in this respect is the maximum amount the company may have to pay if the guarantee is called on. As at 31 March 2023, an amount of Rs.1,753.65 (31 March 2022 : Rs. 1,944.06) is outstanding as financial guarantee. These financial guarantees have been issued to banks and other parties with whom loan agreements have been entered by the subsidiary and parent Company.

54.4 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's 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's 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 Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2023 and 31 March 2022:

	As at 31 March 2023			
	Total	Less than 1 year	1-2 years	2 years and above
Borrowings (including current maturity of long term borrowings)	4,422.50	1,145.73	-	3,276.77
Trade payables	554.08	544.89	1.71	7.47
Lease liability	104.69	6.00	7.20	91.49
Other financial liability	54.79	54.79	-	-
Financial guarantee	3,083.59	-	-	-
Total	8,219.65	1,751.41	8.91	3,375.73
	As at 31 March 2022			
	Total	Less than 1 year	1-2 years	2 years and above
Borrowings (including current maturity of long term borrowings)	3,166.91	738.04	-	2,428.87
Trade payables	762.70	762.70	-	-
Lease liability	105.57	4.15	5.13	96.29
Other financial liability	22.69	22.69	-	-
Financial guarantee	1,232.92	-	-	-
Total	5,290.79	1,527.58	5.13	2,525.16

54.5 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 respective entity'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.

a) 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 on 31 March 2023

Currency	Amount		Buy/ Sell	Cross currency
	As at 31 March 2023	As at 31 March 2022		
USD	0.25	7.00	Sell	

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.

b) Foreign currency risk exposure from financial instruments are given below:

Foreign currency	31 March 2023		31 March 2022	
	Receivable / (payable)	Receivable / (payable) in foreign currency	Receivable / (payable)	Receivable / (payable) in foreign currency
EURO	42.23	0.47	34.19	0.40
USD	1,569.90	19.09	2,646.94	34.92
Others foreign currencies	0.17	1.73	-	-
EURO	(22.82)	(0.25)	(17.53)	(0.21)
USD	(117.68)	(1.43)	(204.85)	(2.70)
CAD	-	-	(0.06)	(0.00)
Net Exposure	1,471.80		2,458.69	

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 INR 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 number below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

10% Increase in foreign currency	Impact in the statement of profit and loss and total equity	
	As at	As at
	31 March 2023	31 March 2022
Euro (Currency of Europe)	1.94	1.67
USD (Currency of U.S.A)	145.22	244.21
Others	-*	-*
10% decrease in foreign currency	As at	As at
	31 March 2023	31 March 2022
Euro (Currency of Europe)	(1.94)	(1.67)
USD (Currency of U.S.A)	(145.22)	(244.21)
Others	-*	-*

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.

* Represents value lower than Rs.10,000.

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54.6 Financial instrument - risk exposure and fair value

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:

	As at 31 March 2023	As at 31 March 2022
Fixed-rate instruments		
Financial assets		
-Margin money deposit	0.48	16.76
	0.48	16.76
Financial liabilities		
-Borrowings from others	156.44	-
	156.44	-
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	989.29	738.04
-Borrowings from others	3,276.77	2,428.87
Total	4,266.06	3,166.91

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 and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect	Profit and Loss	
	100 bps increase	100 bps decrease
31 March 2023		
Variable-rate instruments	(42.66)	42.66
	(42.66)	42.66
31 March 2022		
Variable-rate instruments	(31.67)	31.67
	(31.67)	31.67

54.7 Capital management

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

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

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31st March 2022, there is no breach of covenant attached to

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 is as follows:

	As at 31 March 2023	As at 31 March 2022
(i) Debt	4,422.50	3,166.91
(ii) Cash and cash equivalents	5.73	26.09
(iii) Other bank balances (Margin Money)	0.48	16.37
(iv) Current investment	-	-
Net debt [(i) - { (ii)+(iii)+(iv) }]	4,416.29	3,124.45
Total equity	5,190.97	5,228.14
Gearing ratio	85.08%	59.76%

Notes

(i) Debt is defined as long-term (including current maturity of long-term borrowings excluding financial guarantee contracts) and short-term borrowings.

(ii) Gearing ratio : Net debt / Equity.

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55 Ratio analysis and its elements

Sr. No.	Ratio	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variation	Remarks
1	Current Ratio	Current Assets	Current Liabilities	1.23	1.38	(10.5%)	-
2	Debt-Equity Ratio	Total Debt	Total Equity	0.85	0.61	40.6%	Increase in borrowings and loss in current year
3	Debt Service Coverage Ratio	Profit after tax + Depreciation + Interest + Unrealized forex gain/ loss	Interest and Lease payments+ Principal repayment	14.84	10.18	45.8%	Decrease in interest payment
4	Return on Equity Ratio	Profit after tax	Average Total Equity	(0.03)	0.03	(192.3%)	Decrease in profit year on year
5	Inventory turnover ratio	Sale of Product	Average Inventory	4.94	6.02	(17.9%)	-
6	Trade Receivables turnover ratio	Sale of Product and service	Average Trade Receivables	3.75	5.02	(25.3%)	Increase in Average Trade Receivables
7	Trade payables turnover ratio	Purchases	Trade Payables	4.01	5.00	(19.8%)	-
8	Net capital turnover ratio	Sale of Product and service	Working Capital	10.21	8.03	27.1%	Decrease in Working capital
9	Net profit ratio	Net profit after tax	Sale of Product and service	(0.03)	0.03	(212.1%)	Decrease in profit year on year
10	Return on Capital employed	Profit before tax and interest	Tangible Networth + Total Debt + Deferred Tax Liability	0.02	0.05	(67.8%)	Decrease in profit year on year
11	Return on investment	Profit before tax and interest	Total Assets	0.01	0.05	(67.8%)	Decrease in profit year on year

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56 Utilization of funds

(i) Following are the details of the funds advanced by the Company to Intermediaries for further advancing to the Ultimate beneficiaries during the financial year 2022-23:

Name of the intermediary to which the funds are advanced	Date of Funds advanced	Amount of funds advanced	Date on which funds are further advanced invested by Intermediaries to other Intermediaries or Ultimate Beneficiaries	Amount of fund further advanced or loaned or invested by such Intermediaries to other Intermediaries or Ultimate Beneficiaries	Ultimate Beneficiary
Alivira Animal Health Limited, Ireland	08-Jul-22	71.32	11-Jul-22	71.32	Topkim-Topkapi İlaç Premiks San. Ve Tic. A.Ş.
Alivira Animal Health Limited, Ireland	08-Jul-22	23.77	11-Aug-22	23.77	Topkim-Topkapi İlaç Premiks San. Ve Tic. A.Ş.
Alivira Animal Health Limited, Ireland	08-Jul-22	63.40	08-Jul-22	63.40	Alivira Animal Health Limited, Ireland
Alivira Animal Health Limited, Ireland	16-Nov-22	40.67	16-Nov-22	40.67	Topkim-Topkapi İlaç Premiks San. Ve Tic. A.Ş.

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

(ii) Details of intermediary and ultimate beneficiary:

Name of the intermediary / ultimate beneficiary	Registered Address	Government Identification Number *	Relationship with the Company
Topkim-Topkapi İlaç Premiks San. Ve Tic. A.Ş.	Ali Nihat Tarlan Caddesi, Karakartal Sok. No:4 D:5 Ataşehir, Kadıköy, İstanbul.	132707	Step down subsidiary
Alivira Animal Health Limited, Ireland	16 Glenoaks Cose, Glenconner, Clonmel, Co Tipperary, Ireland - E91T8Y6	548942	Wholly Owned Subsidiary

* Company Identification Number

(iii) Following are the details of the funds received by the Company for further advancing to the Ultimate beneficiaries during the financial year 2022-23:

Name of Company	Registered Address	Govt Identification No	Relationship with Entity	Amount	Nature*	Ultimate Beneficiary	Purpose
Sequent Scientific Limited	301, 3rd Floor, Dosti Pinnacle, Plot No.E7 Road No.22, Wagle Industrial Estate,Thane west MH 400604 IN	L99999MH1985PLC036685	Parent Company	645,000,000 INR	Loan	Alivira Animal Health Limited	Business Operations
Sequent Research Limited	No.120 A & B, Industrial Area, Baikampady, Mangalore – 575 011	U24232KA2007PLC042483	Fellow Subsidiary	6,000,000 INR	Loan	Alivira Animal Health Limited	Business Operations

(iv) Following are the details of the funds advanced by the Company to Intermediaries for further advancing to the Ultimate beneficiaries during the financial year 2021-22:

Name of the intermediary to which the funds are advanced	Date of Funds advanced	Amount of funds advanced	Date on which funds are further advanced invested by Intermediaries to other Intermediaries or Ultimate Beneficiaries	Amount of fund further advanced or loaned or invested by such Intermediaries to other Intermediaries or Ultimate Beneficiaries	Ultimate Beneficiary
Alivira Animal Health Limited, Ireland	27-Jul-21	16.38	28-Jul-21	16.38	Bremer Pharma GmbH
Alivira Animal Health Limited, Ireland	18-Oct-21	16.58	26-Nov-21	16.58	Bremer Pharma GmbH
Alivira Animal Health Limited, Ireland	23-Dec-21	53.52	06-Jan-22	53.52	Alivira Saude Animal Brasil Participacoes Ltda
Alivira Animal Health Limited, Ireland	10-Feb-22	48.75	01-Mar-22	48.75	Alivira Saude Animal Ltda

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003)

(v) Details of intermediary and ultimate beneficiary

Name of the intermediary / ultimate beneficiary	Registered Address	Government Identification Number *	Relationship with the Company
Alivira Animal Health Limited, Ireland	16 Glenoaks Cose, Glenconner, Clonmel, Co Tipperary, Ireland - E91T8Y6	548942	Wholly Owned Subsidiary
Alivira Saude Animal Brasil Participacoes Ltda	367, Rau Joao Baptista De Queiroz Junior, Jardim Myrian Morei, Campinas, SP 13098-415	35.2.2993243-5	Step down subsidiary
Bremer Pharma GmbH	Werkstr. 42 34414 Warburg Germany	HRB4902	Step down subsidiary
Alivira Saude Animal Ltda	367, Rau Joao Baptista De Queiroz Junior, Jardim Myrian Morei, Campinas, SP 13098-415	35.2.0855295-1	Step down subsidiary

* Company Identification Number

Alivira Animal Health Limited

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All amounts are in ₹ million unless otherwise stated except for earnings per share information

57 Transfer pricing

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

58 The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibited) Act, 1988 and rules made thereunder.

59 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

60 The Company do not have any charges or satisfaction which yet to be registered with Registrar of Companies beyond the statutory period.

61 The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

62 Transaction with Struck off companies as on 31 March 2023

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on 31 March 2023	Relationship with the Struck off company
Analytical Solutions (India) Private Limited	Analysis Services	-	None

63 The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

64 The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

65 The Company has complied with the number of layers of subsidiaries prescribed under Section 2(87) of the Companies Act, 2013

66 Previous years figures have being regrouped/reclassified wherever necessary to make them comparable.

67 The financial statements were approved for issue by the Board of Directors on 23rd May 2023.

As per our report of even date

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For S R B C & CO LLP

Chartered Accountants

ICAI firm registration number ; 324982E / E300003

Per Anil Jobanputra

Partner

Membership No: 110759

**Rajaram Narayanan
Managing Director &
Chief Executive Officer
DIN: 02977405**

**Sharat Narsapur
Joint Managing
Director
DIN: 02808651**

**P V Raghavendra Rao
Chief Financial Officer**

**Nihar Ranjan Das
Company Secretary
Membership No- 19003**

Thane, 23 May 2023