ALIVIRA SAUDE ANIMAL LTDA.
**Balance Sheet as at 31 March, 2023**
**All amounts are in BRL**

| Particulars | Note No. | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| (a) Property, plant and equipment | 3 | 30,13,034 | 25,90,169 |
| (b) Other Intangible assets | 4 | 16,25,000 | 18,75,000 |
| (c) Financial Assets | | | |
| (i) Investments | 5 | - | 2,70,00,000 |
| (ii) Loans | 6 | 1,89,442 | 1,99,823 |
| (iii) Other financial asset | 7 | 9,43,738 | 14,64,626 |
| (d) Deferred tax assets (net) | 8 | 46,44,288 | 17,65,127 |
| | | **1,04,15,502** | 3,48,94,745 |
| **Current assets** | | | |
| (a) Inventories | 9 | 1,74,44,332 | 1,43,20,600 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 10 | 2,14,26,557 | 1,55,19,313 |
| (ii) Cash and cash equivalents | 11 | 8,87,655 | 15,59,176 |
| (iii) Loans | 12 | 52,777 | 33,988 |
| (iv) Other financial assets | 13 | 16,76,829 | - |
| (c) Other current assets | 14 | 31,42,127 | 24,16,615 |
| | | **4,46,30,277** | 3,38,49,693 |
| **TOTAL ASSETS** | | **5,50,45,780** | 6,87,44,437 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 15 | 1,30,20,200 | 1,30,20,200 |
| (b) Other Equity | 16 | (2,78,22,438) | (1,31,04,599) |
| | | **(1,48,02,238)** | (84,399) |
| **Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowing | 17 | 98,59,059 | 48,54,297 |
| (ii) Lease liabilities | 35 | 14,34,242 | 16,07,885 |
| (iii) Other financial liabilities | 18 | 11,95,700 | 17,61,832 |
| | | **1,24,89,002** | 82,24,014 |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowing | 19 | 3,08,98,949 | 2,41,52,241 |
| (ii) Trade payables | 20 | 2,36,45,132 | 2,29,28,296 |
| (iii) Lease liabilities | 35 | 1,73,643 | 1,48,125 |
| (iv) Other financial liabilities | 21 | 4,24,668 | 1,05,14,305 |
| (b) Other current liabilities | 22 | 15,52,807 | 21,99,620 |
| (c) Provisions | 23 | 6,63,818 | 4,12,353 |
| (d) Current tax liabilities (Net) | 24 | - | 2,49,882 |
| | | **5,73,59,016** | 6,06,04,822 |
| **TOTAL EQUITY AND LIABILITIES** | | **5,50,45,780** | 6,87,44,437 |

See accompanying notes to the financial statements 2

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

**As per our report of event date**
EY Brazil
Auditors

**FOR AND ON BEHALF OF THE COMPANY**

**Jose Nunes**
**Chief Executive officer**
Campinas
Date: 18th May 2023

**Claudino de Castro Vieira**
**Chief financial officer**
Campinas
Date: 18th May 2023

Campinas
Date: 18th May 2023

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**ALIVIRA SAUDE ANIMAL LTDA.**
**Statement of profit and loss for the year ended 31st March'2023**
**All amounts are in BRL**

| Particulars | Note No | Year Ended 31st Mar'23 | Year Ended 31st Mar'22 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue From Operations | 25 | 12,34,62,415 | 11,05,52,243 |
| Other Income | 26 | 1,03,687 | 1,28,733 |
| **Total income** | | **12,35,66,102** | **11,06,80,976** |
| **EXPENSES** | | | |
| Cost of materials consumed | 27 | 8,15,51,206 | 7,83,18,345 |
| Purchases of stock-in-trade | 28 | 51,65,507 | 1,80,14,912 |
| Changes in inventories of finished goods and work-in-progress & intermediates | 29 | 14,85,300 | (36,81,976) |
| Employee benefits expense | 30 | 1,03,34,603 | 82,93,112 |
| Finance costs | 31 | 31,46,149 | 21,29,154 |
| Depreciation and amortization expense | 32 | 7,68,597 | 6,15,844 |
| Other expenses | 33 | 1,50,52,828 | 42,25,663 |
| **Total expenses** | | **11,75,04,189** | **10,79,15,054** |
| **Profit before tax** | | **60,61,914** | **27,65,921** |
| **Tax expense:** | 34 | **(39,26,391)** | **7,91,900** |
| (i) Current tax | | (14,25,261) | 10,40,919 |
| (ii) Deferred tax | | (4,89,599) | (1,08,805) |
| (iii) Deferred tax on goodwill | | (20,11,531) | - |
| (3) Prior Period Tax | | - | (1,40,214) |
| **Profit for the year** | | **99,88,305** | **19,74,021** |
| Other Comprehensive Income | | - | - |
| **Total Comprehensive Income for the year** | | **99,88,305** | **19,74,021** |
| Earnings per equity share: | 36 | | |
| (1) Basic | | 0.77 | 0.15 |
| (2) Diluted | | 0.77 | 0.15 |

See accompanying notes to the financial statements 2

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

**As per our report of event date**
EY Brazil
Auditors

Campinas
Date: 18th May 2023

**FOR AND ON BEHALF OF THE COMPANY**

**Jose Nunes**
**Chief Executive officer**
Campinas
Date: 18th May 2023

**Claudinei de Castro Vieira**
**Chief financial officer**
Campinas
Date: 18th May 2023

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**ALIVIRA SAUDE ANIMAL LTDA.**
**Statement of cash flows for the year ended 31 March, 2023**
**All amounts are in BRL**

| Particulars | | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|---|
| **Cash flow from Operating Activities** | | | |
| **Profit before tax** | | **60,61,914** | 27,65,921 |
| **Adjustments for:** | | | |
| Add: Finance Cost | | 31,46,149 | 21,29,154 |
| Add: Depreciation and amortisation expense | | 7,68,597 | 6,15,844 |
| Add: Liabilities / provisions no longer required written back | | - | - |
| Add: ESOP charge | | 6,59,758 | 14,77,198 |
| Add: Unrealized exchange loss/(gain) on Loan | | 15,90,614 | (11,80,095) |
| Add: Provision for doubtful trade receivables | | 75,945 | 63,334 |
| **Operating profit before working capital changes** | | **1,23,02,976** | 58,71,356 |
| **Change in working Capital** | | | |
| (Increase) / decrease in inventories | | (31,23,732) | (56,91,843) |
| (Increase) / decrease in trade receivables, loans and advances and other assets | | (77,97,104) | 5,70,381 |
| Increase / (decrease) in trade payables, other payables and provisions | | 14,17,188 | 57,00,216 |
| **Net change in working capital** | | **(95,03,649)** | 5,78,754 |
| **Cash generated from operations** | | **27,99,328** | 64,50,110 |
| Direct taxes (paid)/refund | | (9,44,398) | (7,91,038) |
| **Net cash generated from operating activities** | **A** | **18,54,930** | 56,59,072 |
| **Cash Flow from Investing activities** | | | |
| Purchase of Property, plant & equipment | | (13,90,697) | (3,30,275) |
| Consideration paid on acquisition of subsidiaries | | (1,00,00,000) | (1,70,00,000) |
| **Net cash used in investing activities** | **B** | **(1,13,90,697)** | (1,73,30,275) |
| **Cash flow from Financing activities** | | | |
| Borrowings | | 1,17,51,471 | 1,47,71,603 |
| Finance costs paid | | (27,39,099) | (21,29,154) |
| Payment of principal portion of lease liability | | (1,48,125) | (1,57,128) |
| **Net cash used in investing activities** | **C** | **88,64,246** | 1,24,85,321 |
| **Net increase in cash and cash equivalents during the year** | **(A+B+C)** | **(6,71,521)** | 8,14,118 |
| **Opening Cash & cash equivalent at the beginning of the year** | | **15,59,176** | 7,45,058 |
| **Cash and cash equivalents at the end of the year** | | **8,87,655** | 15,59,176 |
| **Reconciliation of cash and cash equivalents with the Balance sheet** | | | |
| Cash on hand | | 225 | 488 |
| Balances with banks | | 8,87,431 | 15,58,688 |
| **Cash and cash equivalents as per Balance Sheet (Refer Note 9)** | | **8,87,655** | 15,59,176 |

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

**As per our report of event date**
EY Brazil
Auditors

Campinas
Date: 18th May 2023

**FOR AND ON BEHALF OF THE COMPANY**

**Jose Nunes**
**Chief Executive officer**
Campinas
Date: 18th May 2023

**Claudinei de Castro Vieira**
**Chief financial officer**
Campinas
Date: 18th May 2023

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**ALIVIRA SAUDE ANIMAL LTDA.**

**Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2023**
**All amounts are in BRL**

**(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 reporting year | 1,30,20,200 | 1,30,20,200 | 1,30,20,200 | 1,30,20,200 |
| Changes in equity share capital during the year | - | - | - | - |
| **Balance at the end of the reporting year** | **1,30,20,200** | **1,30,20,200** | **1,30,20,200** | **1,30,20,200** |

**(b) Other Equity**

| **Reserves and Surplus** | As at 31 March, 2023 | | | | As at 31 March, 2022 | | |
|---|---|---|---|---|---|---|---|
| | **General reserve** | **Retained Earnings** | **Other Reserves** | **Total** | **General reserve** | **Retained Earnings** | **Total** |
| Balance at the beginning of the reporting year | (1,97,70,062) | 66,65,463 | | **(1,31,04,599)** | (2,12,47,260) | 46,91,442 | **(1,65,55,818)** |
| Profit for the year | - | 99,88,305 | | **99,88,305** | - | 19,74,021 | **19,74,021** |
| Nourrie Integration | 1,96,225 | 93,582 | (2,56,55,708) | **(2,53,65,901)** | | | |
| Lease Impact as per IND AS 116 | - | - | | - | - | - | - |
| Corporate Emp. Expenses - Reserve | 6,59,758 | - | | **6,59,758** | 14,77,198 | - | **14,77,198** |
| Deferred Tax Impact on lease | - | - | | - | - | - | - |
| **Balance at the end of the reporting year** | **(1,89,14,080)** | **1,67,47,349** | **(2,56,55,708)** | **(2,78,22,438)** | **(1,97,70,062)** | **66,65,463** | **(1,31,04,599)** |

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

**As per our report of event date**
EY Brazil
Auditors

Campinas
Date: 18th May 2023

**FOR AND ON BEHALF OF THE COMPANY**

**Jose Nunes**
**Chief Executive officer**
Campinas
Date: 18th May 2023

**Claudinei de Castro Vieira**
**Chief Financial officer**
Campinas
Date: 18th May 2023

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

ALIVIRA SAUDE ANIMAL LTDA.
**Notes to the financial statements for the year ended 31 March 2023**

## 1. CORPORATE INFORMATION

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

### 2.1 Statement of compliance

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

### 2.2 Basis of preparation and presentation

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

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

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

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

### 2.3 Functional and presentation currency

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

### 2.4 Significant Accounting Policies

#### i. Revenue Recognition

**Sale of products**

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

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

Sales are measured at the fair value of consideration received or receivable. The amounts of turnover premium is estimated and accrued on each of the underlying sales transactions recognised.

**Interest income**

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

#### ii. Leases

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.
The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 01 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

**Leases previously accounted for as operating leases**

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

The Company also applied the available practical expedients wherein it:

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

**iii. Foreign currency transactions and translation**

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

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

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

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

**iv. Borrowing costs**

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

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

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

**v. Employee Benefits**

**a) Defined contribution plans**

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

**b) Defined benefit plans**

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

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

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

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

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

**c) Short-term employee benefits**

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

**d) Other employee benefits**

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

**vi Taxes on income**

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

**vii. Property, plant and equipment**

**a) Recognition and measurement**

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

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

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

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

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

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

**b) Subsequent costs**

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

**c) Derecognition of property, plant and equipment**

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

**viii. Intangible assets**

**a) Intangible assets acquired separately**

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

**Useful lives of intangible assets**

Estimated useful lives of the intangible assets are as follow:

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

**b) Subsequent costs**

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

**c) Derecognition of intangible assets**

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

**ix. Inventories**

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

**x. Provisions and contingent liabilities**

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

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

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

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

**xi. Financial instruments**

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

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

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

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

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

**xii Impairment**

**a) Financial assets**

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivables. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**b) Non-financial assets**

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

**xiii Earnings per share**

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

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

**xiv Cash and cash equivalents**

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

**xv Segment**

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

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**xvi Current versus non-current classification**

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

An asset is treated as current when:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

**xvii Fair value measurement**

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

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

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

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

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

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

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**2A. Use of estimates and management judgments**

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

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

**i Deferred tax**

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

**ii. Fair value**

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

**iii. Post-retirement benefit plans**

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

**iv. Provisions and contingencies**

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

**ALIVIRA SAUDE ANIMAL LTDA.**
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**
**Note 3: Property, plant and equipment and capital work-in-progress**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Carrying Amount of:** | | |
| Lease hold improvements | 4,20,503 | 2,96,526 |
| Furniture and fixtures | 2,92,144 | 2,44,636 |
| Computers | 93,750 | 56,090 |
| Right-of-use assets | 11,96,341 | 13,95,732 |
| Plant and machinery | 10,10,296 | 5,97,185 |
| **Total** | **30,13,034** | **25,90,169** |

| Particulars | Lease hold improvements | Furniture and fixtures | Computers | Right-of-use assets | Plant and machinery | Total |
|---|---|---|---|---|---|---|
| **Cost or deemed cost** | | | | | | |
| Balance as on 01 April, 2021 | 2,65,792 | 3,88,857 | 1,29,065 | 21,00,884 | 10,04,402 | 38,89,000 |
| Assets acquired | 68,266 | 1,55,327 | 38,759 | - | 67,924 | 3,30,275 |
| **Balance as on 31 March, 2022** | **3,34,058** | **5,44,184** | **1,67,824** | **21,00,884** | **10,72,326** | **42,19,276** |
| Assets acquired | 1,42,070 | 2,16,899 | 1,34,924 | - | 8,96,803 | 13,90,697 |
| **Balance as on 31 March, 2023** | **4,76,128** | **7,61,083** | **3,02,748** | **21,00,884** | **19,69,129** | **56,09,973** |

| Particulars | Lease hold improvements | Furniture and fixtures | Computers | Right-of-use assets | Plant and machinery | Total |
|---|---|---|---|---|---|---|
| **Accumulated depreciation and impairment** | | | | | | |
| Balance as on 01 April, 2021 | 25,401 | 2,71,539 | 97,698 | 4,83,899 | 3,84,727 | 12,63,263 |
| Depreciation expense for the year | 12,131 | 28,009 | 14,036 | 2,21,253 | 90,414 | 3,65,844 |
| **Balance as on 31 March, 2022** | **37,532** | **2,99,548** | **1,11,734** | **7,05,152** | **4,75,141** | **16,29,107** |
| Depreciation expense for the year | 18,093 | 1,69,392 | 97,265 | 1,99,390 | 4,83,692 | 9,67,833 |
| **Balance as on 31 March, 2023** | **55,625** | **4,68,940** | **2,08,999** | **9,04,542** | **9,58,833** | **25,96,939** |

| Particulars | Lease hold improvements | Furniture and fixtures | Computers | Right-of-use assets | Plant and machinery | Total |
|---|---|---|---|---|---|---|
| **Carrying amount** | | | | | | |
| Balance as on 01 April, 2021 | 2,40,391 | 1,17,319 | 31,367 | 16,16,985 | 6,19,675 | 26,25,737 |
| Assets acquired | 68,266 | 1,55,327 | 38,759 | - | 67,924 | 3,30,275 |
| Depreciation expense for the year | 12,131 | 28,009 | 14,036 | 2,21,253 | 90,414 | 3,65,844 |
| **Balance as on 31 March, 2022** | **2,96,526** | **2,44,636** | **56,090** | **13,95,732** | **5,97,185** | **25,90,169** |
| Assets acquired | 1,42,070 | 2,16,899 | 1,34,924 | - | 8,96,803 | 13,90,697 |
| Depreciation expense for the year | 18,093 | 1,69,392 | 97,265 | 1,99,390 | 4,83,692 | 9,67,833 |
| **Balance as on 31 March, 2023** | **4,20,503** | **2,92,144** | **93,750** | **11,96,341** | **10,10,296** | **30,13,034** |

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**ALIVIRA SAUDE ANIMAL LTDA.**
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**
**Note 4: Other Intangible assets**

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Carrying Amount of:** | | |
| Product Licenses | 16,25,000 | 18,75,000 |
| **Total** | **16,25,000** | **18,75,000** |

| Particulars | Product Licenses |
|---|---|
| **Cost or deemed cost** | |
| Balance as on 01 April, 2021 | 25,00,000 |
| Assets acquired | - |
| **Balance as on 31 March, 2022** | **25,00,000** |
| Assets acquired | - |
| **Balance as on 31 March, 2023** | **25,00,000** |

| Particulars | Product Licenses |
|---|---|
| **Accumulated amortisation** | |
| Balance as on 01 April, 2021 | 3,75,000 |
| Amortisation expense for the year | 2,50,000 |
| **Balance as on 31 March, 2022** | **6,25,000** |
| Amortisation expense for the year | 2,50,000 |
| **Balance as on 31 March, 2023** | **8,75,000** |

| Particulars | Product Licenses |
|---|---|
| **Carrying amount** | |
| Balance as on 01 April, 2021 | 21,25,000 |
| Assets acquired | - |
| Amortisation expense | 2,50,000 |
| **Balance as on 31 March, 2022** | **18,75,000** |
| Assets acquired | - |
| Amortisation expense | 2,50,000 |
| **Balance as on 31 March, 2023** | 16,25,000 |

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2023
All amounts are in BRL

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| 5 | **Non-current Investments** | | |
| | Investments in equity instruments - Subsidiaries | - | 2,70,00,000 |
| | | - | 2,70,00,000 |
| 6 | **Non current Loan** | | |
| | Loan to Others | 1,89,442 | 1,99,823 |
| | | 1,89,442 | 1,99,823 |
| 7 | **Other Non current Financial Assets** | | |
| | Security Deposits | 1,34,633 | 1,34,633 |
| | Social Security Contigent liability | 8,09,105 | 13,29,993 |
| | | 9,43,738 | 14,64,626 |
| 8 | **Deferred tax assets (net)** | | |
| | On account of Leases | 1,39,925 | 1,22,495 |
| | On account of ESOP | 7,26,565 | 5,02,247 |
| | On account of Goodwill | 20,31,128 | - |
| | On Carry forward of losses | 17,46,670 | 11,40,385 |
| | | 46,44,288 | 17,65,127 |
| 9 | **Inventories** | | |
| | (At lower of cost and net realisable value) | | |
| | Raw materials | 98,52,453 | 57,06,505 |
| | Packing materials | 9,02,614 | 4,39,529 |
| | | **1,07,55,066** | **61,46,034** |
| | Work-in-progress and intermediates | 1,47,512 | 3,34,708 |
| | Finished goods | 59,54,424 | 41,32,426 |
| | Trading Goods | 5,87,330 | 37,07,432 |
| | | 1,74,44,332 | 1,43,20,600 |

During the year ended 31 March 2023 BRL: 38,236 (31 March 2022 BRL: 17,763) was recognised as an expense towards provision for slow moving, expired and near expiry inventories

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| 10 | **Trade receivables** | | |
| | (a) Unsecured, considered good | 2,14,26,557 | 1,55,19,313 |
| | (b) Unsecured, considered doubtful | 4,33,084 | 3,57,138 |
| | | 2,18,59,640 | 1,58,76,451 |
| | Less: Provision for doubtful debts | (4,33,084) | (3,57,138) |
| | | 2,14,26,557 | 1,55,19,313 |

As on 31st Mar 2023

| Particulars | Not Due | Outstanding for following periods from | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 years | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | 2,08,30,039 | 1,07,993 | 4,83,962 | 4,564 | | | 2,14,26,557 |
| (ii) Undisputed Trade Receivables - considered doubtful | | | | 75,945 | 47,060 | 3,10,079 | 4,33,084 |
| (iii) Disputed Trade Receivables - considered good | | | | | | | - |
| (iv) Disputed Trade Receivables - considered doubtful | | | | | | | - |

As on 31st Mar 2022

| Particulars | Not Due | Outstanding for following periods from | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months - 1 years | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - considered good | 1,53,54,963 | 23,104 | 1,13,146 | 28,100 | | | 1,55,19,313 |
| (ii) Undisputed Trade Receivables - considered doubtful | | | - | 47,060 | - | 3,10,079 | 3,57,138 |
| (iii) Disputed Trade Receivables - considered good | | | | | | | - |
| (iv) Disputed Trade Receivables - considered doubtful | | | | | | | - |

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| 11 | **Cash and cash equivalents** | | |
| | Cash on hand | 225 | 488 |
| | Balances with banks | | |
| | - In current accounts | 8,87,431 | 15,58,688 |
| | | 8,87,655 | 15,59,176 |
| 12 | **Loans** | | |
| | **Unsecured, considered good;** | | |
| | Advances to employees | 23,601 | 5,000 |
| | Loans & Advances to related parties | - | - |
| | Loans to others | 29,175 | 28,988 |
| | | 52,777 | 33,988 |
| 13 | **Other current financial assets** | | |
| | Interest accrued on fixed deposits | | |
| | Advance Income-Tax including tax deducted at source | 16,76,829 | - |
| | | 16,76,829 | - |
| 14 | **Other current assets** | | |
| | Advance to suppliers | 2,55,712 | 6,96,999 |
| | Balances with government authorities | 25,25,836 | 13,12,147 |
| | Prepaid expenses | 3,37,654 | 4,07,470 |
| | Others | 22,924 | - |
| | | 31,42,127 | 24,16,615 |

ALIVIRA SAUDE ANIMAL LTDA.
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| **15** | **Share capital** | | |
| (a) | **Authorised** | | |
| | 1,303,950 equity shares (March 31, 2021: 1,303,950 equity shares) of BRL 10 each | 1,30,39,500 | 1,30,39,500 |
| (b) | **Issued, Subscribed and fully paid up** | | |
| | 1,302,020 equity shares (March 31, 2021: 1,302,020 equity shares) of BRL 10 each | 1,30,20,200 | 1,30,20,200 |
| | | 1,30,20,200 | 1,30,20,200 |

**Notes:**

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

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| | Nos of Shares | Amount | Nos of Shares | Amount |
| **Equity shares** | | | | |
| Shares outstanding at the beginning of the year | 1,30,20,200 | 1,30,20,200 | 1,30,20,200 | 1,30,20,200 |
| Add: Shares issued during the year | - | - | - | - |
| **Shares outstanding at the end of the year** | 1,30,20,200 | 1,30,20,200 | 1,30,20,200 | 1,30,20,200 |

**(ii) Terms/rights attached to equity shares**
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

**Equity shares**

| Name of the shareholder | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Nos of Shares | % of Holding | Nos of Shares | % of Holding |
| Alivira, Brazil | 1,30,20,200 | 100.00% | 1,30,20,200 | 100.00% |

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| **17** | **Financial Liabilities - Long term borrowings** | | |
| | Unsecured - Fitch Participacoes Ltda | 22,35,251 | 28,17,798 |
| | Unsecured Judicial liabilities | 13,46,830 | 20,36,499 |
| | From bank | 62,76,978 | |
| | | 98,59,059 | 48,54,297 |

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

| Particulars | Terms of repayment | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| **FITCH PARTICIPACOES LTDA:** The Company has obtained the loan through various disbursements. The rate of interest is 1.10% on the loan outstanding. However it is changes to 0.50% per month from 1st Jan 2020 | Repayable in 108 monthly instalments commencing from Jan2020 and repayable fully by Dec 2028 | 28,99,140 | 34,55,719 |
| **Judicial Liabilities:** The Company has received the judicial recovery judgement dated May 7, 2015 from the 2nd Civil Court of the District of Campinas, Sao Paulo for restructuring the payable towards class of vendors and banks to the loan.The interest rate of the restructured loan payable to vendors and banks is Mortgage reference rate of Brazil plus 1%. | The loan is repayable in half yearly 18 unequal instalments commencing from Nov 2016. Repayable fully by May 2025 | 22,40,357 | 28,70,345 |
| **From Bank:** Loan from Daycoval bank | Loan repayable in 36 months installments - 7,07%+CDI interest rate per year | 62,12,475 | - |
| **From Bank:** Loan from Safra bank | Loan repayable in 24 months installments - 20,27% interest rate per year | 10,07,204 | - |
| | | | |
| **Gross Amount** | | 1,23,59,175 | 63,26,064 |
| Less: Current maturity of long term debt | | 25,00,116 | 14,71,767 |
| | | 98,59,059 | 48,54,297 |

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**ALIVIRA SAUDE ANIMAL LTDA.**
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| 18 | **Other financial liabilities** | | |
| | Statutory remittances | 2,27,764 | 4,26,244 |
| | Social Security Contigent liability | 9,67,936 | 13,35,588 |
| | | **11,95,700** | **17,61,832** |
| 19 | **Financial Liabilities - Short term barrowings** | | |
| | Loans repayable on demand | | |
| | Secured loan | | |
| | From bank (refer note (i) below) | - | 8,00,000 |
| | Unsecured loan | | |
| | From bank | 9,42,701 | |
| | From related party (refer note (iii) below) | 2,83,98,833 | 2,18,80,474 |
| | Current maturities of long-term debt (refer note 17 (i) above) | 15,57,416 | 14,71,767 |
| | | **3,08,98,949** | **2,41,52,241** |

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

iii)Loan from Alivira Animal Health Limited, Ireland USD 5,589,881 @ interest rate is 2.99% p.a & loan from Alivira Saude Animal Do Brasil Participacoes LTDA BRL 8,229,949 @ interest rate of 17.31%

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| 20 | **Trade Payable** | | |
| | Trade payable | 2,36,45,132 | 2,29,28,296 |
| | | **2,36,45,132** | **2,29,28,296** |

As on 31st Mar 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Others | 1,96,61,523 | 39,83,609 | - | - | - | 2,36,45,132 |
| (ii) Disputed dues - Others | | | | | | - |

As on 31st Mar 2022

| Particulars | Not Due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) Others | 2,00,49,412 | 28,78,885 | - | - | - | 2,29,28,296 |
| (ii) Disputed dues - Others | | | | | | - |

| Note no | Particulars | As at 31 Mar 2023 | As at 31 Mar 2022 |
|---|---|---|---|
| 21 | **Other Current financial Liabilities** | | |
| | Derivative Instrument | 4,24,668 | 5,14,305 |
| | Other current liabilities | - | 1,00,00,000 |
| | | **4,24,668** | **1,05,14,305** |
| 22 | **Other Current Liabilities** | | |
| | Statutory remittances | 6,01,640 | 10,70,853 |
| | Advances from customers | 9,51,167 | 11,28,767 |
| | | **15,52,807** | **21,99,620** |
| 23 | **Short term provisions** | | |
| | Provision for compensated absences | 6,63,818 | 4,12,353 |
| | | **6,63,818** | **4,12,353** |
| 24 | **Current tax liabilities (Net)** | | |
| | Provision for taxation (Net of Advance Tax(2022) : BRL 791,038) | - | 2,49,882 |
| | | - | **2,49,882** |

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

ALIVIRA SAUDE ANIMAL LTDA.
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**

| Note no | Particulars | Year Ended 31st Mar'23 | Year Ended 31st Mar'22 |
|---|---|---|---|
| 25 | **Revenue from operations** | | |
| | Gross Sale | 12,47,09,661 | 11,17,48,765 |
| | Less: Sale Return | 12,47,245 | 11,96,523 |
| | | **12,34,62,415** | **11,05,52,243** |
| 26 | **Other Income** | | |
| | Other Miscellenous income | 1,03,687 | 1,28,733 |
| | Liabilities / provisions no longer required written back | - | - |
| | | **1,03,687** | **1,28,733** |
| 27 | **Cost of materials consumed** | | |
| | Opening stock | 61,46,034 | 41,36,167 |
| | Add: Purchases | 8,61,60,238 | 8,03,28,212 |
| | Less: Closing stock | 1,07,55,066 | 61,46,034 |
| | | **8,15,51,206** | **7,83,18,345** |
| 28 | **Purchases of stock-in-trade** | | |
| | Purchases of stock-in-trade | 51,65,507 | 1,80,14,912 |
| | | **51,65,507** | **1,80,14,912** |
| 29 | **Changes in inventories of finished goods and work-in-progress & intermediates** | | |
| | **Opening stock** | | |
| | Work-in-progress and intermediates | 3,34,708 | 2,19,151 |
| | Finished goods | 78,39,858 | 42,73,439 |
| | | **81,74,565** | **44,92,590** |
| | **Closing stock** | | |
| | Work-in-progress and intermediates | 1,47,512 | 3,34,708 |
| | Finished goods | 65,41,754 | 78,39,858 |
| | | **66,89,265** | **81,74,565** |
| | **Net (increase) / decrease** | **14,85,300** | **(36,81,976)** |
| 30 | **Employee benefits expense** | | |
| | Salaries and wages | 44,97,086 | 29,01,654 |
| | Contribution to funds/other funds | 18,44,828 | 11,74,144 |
| | Employee Stock option scheme | 6,59,758 | 14,77,198 |
| | Staff welfare expenses | 33,32,931 | 27,40,117 |
| | | **1,03,34,603** | **82,93,112** |
| 31 | **Finance costs** | | |
| | Interest expense | 27,66,291 | 16,64,382 |
| | Other borrowing costs | 1,09,447 | 1,70,765 |
| | Interest on lease liabilities | 2,70,411 | 2,94,008 |
| | | **31,46,149** | **21,29,154** |
| 32 | **Depreciation and amortization expense** | | |
| | Depreciation on Tangible Assets | 3,19,206 | 1,44,590 |
| | Depreciation on right-of-use assets | 1,99,390 | 2,21,253 |
| | Amortisation of Intangible Assets | 2,50,000 | 2,50,000 |
| | | **7,68,597** | **6,15,844** |

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**ALIVIRA SAUDE ANIMAL LTDA.**
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**

| Note no | Particulars | Year Ended 31st Mar'23 | Year Ended 31st Mar'22 |
|---|---|---|---|
| 33 | **Other expenses** | | |
| | Travel expenses | 5,11,590 | 1,18,785 |
| | Communication expenses | 80,349 | 36,177 |
| | Contract labour charges | 75,964 | 66,105 |
| | Legal and Professional charges | 16,07,582 | 10,55,238 |
| | Freight and forwarding | 26,60,166 | 19,34,252 |
| | Power and fuel | 3,08,754 | 3,03,593 |
| | Rent | 3,13,237 | 78,908 |
| | Analytical charges | 4,83,102 | 3,32,872 |
| | Repairs to buildings | 99,884 | 1,68,145 |
| | Repairs to machinery | 5,10,585 | 4,99,529 |
| | Repairs to others | 1,40,870 | 60,962 |
| | Research & Development | 3,90,013 | 4,80,010 |
| | Insurance | 27,095 | 17,666 |
| | Commission on sales | 24,27,071 | 18,42,364 |
| | Production Waste Disposal | 46,060 | 37,608 |
| | Water & Sewage | 1,54,790 | 1,25,340 |
| | Other Office Expenses | 7,10,585 | 6,32,547 |
| | Advertisement and selling expenses | 6,69,633 | 2,55,020 |
| | Rates and taxes | 2,49,403 | 2,27,608 |
| | Net loss on foreign currency transactions and translation | 35,10,151 | (41,10,400) |
| | Provision for doubtful trade receivables | 75,945 | 63,334 |
| | | **1,50,52,828** | **42,25,663** |
| 34 | **Tax expense** | | |
| | Current tax | (14,25,261) | 10,40,919 |
| | Deferred tax | (4,72,169) | (87,003) |
| | Deferred tax Goodwill | (20,11,531) | |
| | Deferred tax leases | (17,430) | (21,803) |
| | Prior Period Tax | - | (1,40,214) |
| | | **(39,26,391)** | **7,91,900** |

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**35 Details of leasing arrangements**

The Company's significant leasing arrangement is mainly in respect of office premises, fork lift, Lift platform & Server; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is BRL 4,18,536

**The following is the movement in lease liabilities:**

| Particulars | 1 April 2022 to 31 March, 2023 | 1 April 2021 to 31 March, 2022 |
|---|---|---|
| **Opening Balance** | **17,56,010** | **19,13,137** |
| Accretion of interest | 2,70,411 | 2,94,008 |
| Payments | (4,18,536) | (4,51,135) |
| **Closing Balance** | **16,07,885** | **17,56,010** |
| Current | 1,73,643 | 1,48,125 |
| Non-current | 14,34,242 | 16,07,885 |

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

**The following are the amounts recognised in profit or loss:**

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| Depreciation expense of right-of-use assets (Refer Note 32) | 1,99,390 | 2,21,253 |
| Interest expense on lease liabilities (Refer Note 31) | 2,70,411 | 2,94,008 |
| Deferred tax lease (Refer Note 34) | (17,430) | (21,803) |
| **Total amount recognised in profit or loss** | **4,52,371** | **4,93,459** |

**36 Earnings per share**

| Particulars | 1 April 2022 to 31 March, 2023 | 1 April 2021 to 31 March, 2022 |
|---|---|---|
| Net profit for the period as per statement of profit and loss | 99,88,305 | 19,74,021 |
| Net profit for the period attributable to the equity shareholders | 99,88,305 | 19,74,021 |
| Weighted average number of equity shares | 1,30,20,200 | 1,30,20,200 |
| Earnings per share - Basic | 0.77 | 0.15 |
| Earnings per share - Diluted | 0.77 | 0.15 |

**37 Segment information**

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

**Primary segment: Business segment**

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

**38 Contingent liabilities and commitments**

(i) **Contingent liabilities**

There is no contigent liabilities and commitments as at 31st March 2023

(ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31st March 2023: Nil (March 31, 2022 : Nil)

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March, 2023
All amounts are in BRL

39 Reconciliations of tax expenses and details of deferred tax balances

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

| | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **i) Income tax expense recognised in the statement of profit and loss** | | |
| Current tax | (14,25,261) | 10,40,919 |
| **Total (I)** | -14,25,261 | 10,40,919 |
| | | |
| **Deferred tax** | | |
| on googwill | -20,11,531 | |
| Origination and reversal of temporary differences | -4,89,599 | -1,08,805 |
| **Total (II)** | -25,01,130 | -1,08,805 |
| | | |
| **Provision for tax of earlier years Provided (III)** | - | -1,40,214 |
| | | |
| **Total (IV = I+II+III)** | (39,26,391) | 7,91,900 |

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

**B) Reconciliation of effective tax rate**

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Profit before tax** | **60,61,914** | **27,65,921** |
| Statutory income tax rate | 34.00% | 33.72% |
| **Tax as per applicable tax rate** | **20,61,051** | **9,32,767** |
| | | |
| **Differences due to:** | | |
| - Provision for tax of earlier years | - | (1,40,214) |
| - Tax benefit LC 160 | (26,77,184) | 0 |
| - Goodwill | (20,11,531) | 0 |
| - Others | (12,98,726) | (653) |
| **Income tax expenses charged to the statement of profit and loss** | **(39,26,391)** | **7,91,900** |
| Effective tax rate | **-64.8%** | **28.6%** |

**C) Movement in deferred tax assets and liabilities**

| 31 March 2023 | As at 01 April 2022 | Credit / (charge) in the statement of profit and loss | As at 31 March 2023 |
|---|---|---|---|
| - Right-of-use assets (^) | 1,22,495 | 17,430 | 1,39,925 |
| **Tax assets / (liabilities)** | **1,22,495** | **17,430** | **1,39,925** |
| - Unabsorbed depreciation and carried forward of losses | 11,40,385 | 6,06,286 | 17,46,670 |
| -Employee Stock Option | 5,02,247 | 2,24,318 | 7,26,565 |
| -On account of Goodwill | | 20,31,128 | 20,31,128 |
| **Net tax assets / (liabilities)** | **17,65,127** | **28,79,162** | **46,44,288** |

| 31 March 2022 | As at 01 April 2021 | Credit / (charge) in the statement of profit and loss | As at 31 March 2022 |
|---|---|---|---|
| - Right-of-use assets (^) | 1,00,692 | 21,803 | 1,22,495 |
| **Tax assets / (liabilities)** | **1,00,692** | **21,803** | **1,22,495** |
| - Unabsorbed depreciation and carried forward of losses | 15,55,629 | (4,15,244) | 11,40,385 |
| -Employee Stock Option | | 5,02,247 | 5,02,247 |
| **Net tax assets / (liabilities)** | **16,56,321** | **1,08,805** | **17,65,127** |

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

**ALIVIRA SAUDE ANIMAL LTDA.**
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**

## 40 Financial instruments

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

| | Carrying value & fair value | |
|---|---|---|
| **Financial assets** | **31 March 2023** | **31 March 2022** |
| **Measured at amortised cost** | | |
| Loans | 9,96,515 | 14,98,614 |
| Trade receivables | 2,14,26,557 | 1,55,19,313 |
| Cash and cash equivalents | 8,87,655 | 15,59,176 |
| Other financial assets | 16,76,829 | - |
| **Total** | **2,49,87,556** | **1,85,77,104** |
| **Financial liabilities** | | |
| **Measured at amortised cost** | | |
| Borrowings (including current maturity) | 4,07,58,009 | 2,90,06,538 |
| Trade payables | 2,36,45,132 | 2,29,28,296 |
| Lease Liabilities | 16,07,885 | 17,56,010 |
| Other financial liabilities | 16,20,368 | 1,22,76,137 |
| **Total** | **6,76,31,394** | **6,59,66,982** |

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

### 40.4 Market risk

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

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

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

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

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

| Foreign currency | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|
| | Receivables / (payables) | Receivables / (payables) in foreign currency | Receivables / (payables) | Receivables / (payables) in foreign currency |
| EURO | (20,870) | (3,773) | (9,239) | (1,760) |
| USD | (2,04,85,443) | (39,45,227) | (3,43,63,832) | (72,54,039) |
| USD | 1,08,419 | 20,880 | 1,93,561.99 | 40,860.00 |
| **Net exposure** | **(2,03,97,895)** | | **(3,41,79,508)** | |

**b) Derivative financial instruments**

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

(i) Outstanding forward exchange contracts entered into by the Company as at 31 March 2023 and 31 March 2022:

| Currency | Amount in US $ million | | Buy / Sell | Cross currency |
|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | | |
| USD | 20,00,000 | 20,00,000 | Buy | BRL |

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

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

| | Impact on profit or loss and total equity | |
|---|---|---|
| | 31 March 2023 | 31 March 2022 |
| **10% decrease in foreign currency** | | |
| Currency of Europe (Euro) | 2,087 | 924 |
| Currency of U.S.A (USD) | 20,37,702 | 34,36,383 |
| **10% increase in foreign currency** | | |
| Currency of Europe (Euro) | (2,087) | (924) |
| Currency of U.S.A (USD) | (20,37,702) | (34,36,383) |

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.

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

**40.1 Financial risk management objective and policies**

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

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

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

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

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

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

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

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Outstanding for more than 6 months | 4,88,526 | 1,41,246 |
| Others | 2,09,38,031 | 1,53,78,067 |
| **Total** | 2,14,26,557 | 1,55,19,313 |

Information about major Customer
Largest customers Company has total exposure in sales (BRL 3,88,26,983 of total sales) in current year and (BRL 2,29,23,390 of total sales) in FY 2021-22. The receivables from these customers are (BRL 1,51,83,711 of total receivable) in current year and (BRL 1,06,75,755 of total receivable) in FY 2021-22. Apart from the aforesaid customers, the Company does not have a significant credit risk exposure to any other external counterparty.

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

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

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

| **Particulars** | **As at 31 March 2023** | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2 years and above** | **Total** |
| Borrowings (including current maturity of long-term borrowings) | 3,08,98,949 | 98,59,059 | - | 4,07,58,009 |
| Trade payables | 2,36,45,132 | - | - | 2,36,45,132 |
| Lease Liabilities | 1,73,643 | 14,34,242 | - | 16,07,885 |
| Other financial liabilities | 10,82,187 | 2,79,948 | 2,58,233 | 16,20,368 |

| **Particulars** | **As at 31 March 2022** | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1-2 years** | **2 years and above** | **Total** |
| Borrowings (including current maturity of long-term borrowings) | 2,41,52,241 | 15,70,793 | 32,83,504 | 2,90,06,538 |
| Trade payables | 2,29,28,296 | - | - | 2,29,28,296 |
| Lease Liabilities | 1,48,125 | 1,73,643 | 14,34,242 | 17,56,010 |
| Other financial liabilities | 1,05,14,305 | - | 17,61,832 | 1,22,76,137 |

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

d) **Interest rate risk exposure**

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

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial liabilities | | |
| -Borrowings from bank | - | - |
| -Borrowings from related party | 2,83,98,833 | 1,36,50,526 |
| -Borrowings from others | 28,99,140 | 34,55,719 |
| | **3,12,97,973** | **1,71,06,245** |
| **Variable-rate instruments** | | |
| Financial liabilities | | |
| -Borrowings from bank | 72,19,678 | 8,00,000 |
| -Borrowings from related party | - | 82,29,949 |
| -Borrowings from others | 22,40,357 | 28,70,345 |
| **Total** | **94,60,035** | **1,19,00,293** |

**Fair value sensitivity analysis for fixed-rate instruments**

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

**Interest rate sensitivity analysis for variable-rate instruments**

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

| **Effect** | **Profit or loss** | |
|---|---|---|
| | **100 bps (increase)** | **100 bps decrease** |
| **31 March 2023** | | |
| Variable-rate instruments | (94,600) | 94,600 |
| | (94,600) | 94,600 |
| **31 March 2022** | | |
| Variable-rate instruments | (1,19,003) | 1,19,003 |
| | (1,19,003) | 1,19,003 |

## 40.5 Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents
As at 31 March 2022, there is no breach of covenant attached to the borrowings.

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

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

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

| | 31 March 2023 | 31 March 2022 |
|---|---|---|
| Debt (i) | 4,07,58,009 | 2,90,06,538 |
| Cash and bank balances (ii) | 8,87,655 | 15,59,176 |
| **Net debt (i) - (ii)** | **3,98,70,353** | **2,74,47,362** |
| **Equity attributable to owners of the Company** | (1,48,02,238) | (84,399) |
| **Gearing ratio : Net debt / Equity.** | NA | NA |

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

**ALIVIRA SAUDE ANIMAL LTDA.**
**Notes to the financial statements for the year ended 31 March, 2023**
**All amounts are in BRL**

**41 Related Party Disclosures:**

**A List of related parties:**

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

**ii) Fellow Subsidiary :**
Evanvet Distribuidora De Produtos Veterinarios Ltda (Formerly known as Evance Saude Animal Ltda)
Laboratorios Karizoo SA, Spain
Phytotherapic Solutions S.L.

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

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

**A. Transaction during the period**

| Nature of Transactions | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|
| **(i) Sales of materials** | | |
| Evanvet Distribuidora De Produtos Veterinarios Ltda | 47.512.992 | 51.826.557 |
| **(ii) Interest Expenses** | | |
| Fitch Participacoes Ltda | 274.774 | 227.003 |
| Alivira Saude Animal Do Brasil Participacoes LTDA. | 1.325.301 | 968.569 |
| Alivira Animal Health Limited, Ireland | 806.553 | 30.602 |
| **(iii) Loan taken** | | |
| Alivira Animal Health Limited, Ireland | 12.344.550 | 14.800.018 |
| **(iv) Loan repaid** | | |
| Fitch Participacoes Ltda | 827.962 | 813.332 |
| Alivira Saude Animat Do Brasil Participacoes LTDA. | 9.608.112 | 784.657 |
| **(v) Legal & professional Expenses** | | |
| Laboratorios Karizoo SA, Spain | 137.316 | - |
| **(vi) Purchase of materials** | | |
| Phytotherapic Solutions S.L. | 24.175 | - |
| **(vii) Shares (sold)/purchased during the year** | | |
| Alivira Saude Animal Do Brasil Participacoes LTDA. | - | 3.906.060 |
| Ares Holding LTDA | - | (3.906.060) |

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

| Nature of Transactions | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| **(i) Creditors balance** | | |
| Laboratorios Karizoo SA, Spain | 11.887 | - |
| **(ii) Advance from Customer** | | |
| Evanvet Distribuidora De Produtos Veterinarios Ltda | 900.000 | 1.128.767 |
| **(iii) Loan Outstanding** | | |
| Alivira Animal Health Limited, Ireland | 28.398.833 | 13.650.526 |
| Alivira Saude Animal Do Brasil Participacoes LTDA. | - | 8.229.949 |
| Fitch Participacoes Ltda | 2.899.140 | 3.455.719 |

**As per our report of event date**
EY Brazil
Auditors

Campinas
Date: 18th May 2023

**FOR AND ON BEHALF OF THE COMPANY**

**Jose Nunes**
**Chief Executive officer**
Campinas
Date: 18th May 2023

**Claudinei de Castro Vieira**
**Chief financial officer**
Campinas
Date: 18th May 2023

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG