ALIVIRA SAUDE ANIMAL LTDA.
Balance Sheet as at 31 March, 2024
All amounts are in BRL

Particulars	Note No.	As at 31 Mar 2024	As at 31 Mar 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	34,27,636	30,13,035
(b) Other Intangible assets	4	13,75,000	16,25,000
(c) Financial Assets			
(i) Investments	5	-	-
(ii) Loans	6	1,79,062	1,89,442
(iii) Other financial asset	7	2,98,955	9,43,738
(d) Deferred tax assets (net)	8	64,24,883	46,44,288
		1,17,05,537	**1,04,15,503**
Current assets			
(a) Inventories	9	1,86,66,329	1,74,44,332
(b) Financial Assets			
(i) Trade receivables	10	1,56,04,211	2,14,26,557
(ii) Cash and cash equivalents	11	2,78,777	8,87,655
(iii) Loans	12	53,930	52,777
(iv) Other financial assets	13	2,20,649	16,76,829
(c) Other current assets	14	41,57,428	31,42,127
		3,89,81,323	**4,46,30,277**
TOTAL ASSETS		**5,06,86,861**	**5,50,45,780**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,30,20,200	1,30,20,200
(b) Other Equity	16	(2,40,31,408)	(2,78,22,438)
(i) Retained Earnings		2,01,79,833	1,67,47,349
(ii) Other Reserves		(4,42,11,241)	(4,45,69,787)
Money received against share warrants			
		(1,10,11,208)	**(1,48,02,238)**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	17	33,32,048	98,59,059
(ii) Lease liabilities	35	12,30,686	14,34,242
(iii) Other financial liabilities	18	3,34,614	11,95,700
		48,97,348	**1,24,89,002**
Current liabilities			
(a) Financial liabilities			
(i) Borrowing	19	3,39,02,947	3,08,98,949
(ii) Trade payables	20	1,96,90,237	2,36,45,132
(iii) Lease liabilities	35	2,03,556	1,73,643
(iv) Other financial liabilities	21	1,971	4,24,668
(b) Other current liabilities	22	22,30,789	15,52,807
(c) Provisions	23	7,71,220	6,63,818
(d) Current tax liabilities (Net)	24	-	-
		5,68,00,721	**5,73,59,016**
TOTAL EQUITY AND LIABILITIES		**5,06,86,861**	**5,50,45,780**

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: 10th May 2024

FOR AND ON BEHALF OF THE COMPANY

Jose Nunes
Chief Executive officer
Campinas
Date: 10th May 2024

Claudinei de Castro Vieira
Chief financial officer
Campinas
Date: 10th May 2024

ALIVIRA SAUDE ANIMAL LTDA.
Statement of profit and loss for the year ended 31st March'2024
All amounts are in BRL

Particulars	Note No	Year Ended 31st Mar'24	Year Ended 31st Mar'23
INCOME			
Revenue From Operations	25	10,04,56,396	12,34,62,415
Other Income	26	5,45,399	1,03,687
Total income		**10,10,01,795**	**12,35,66,102**
EXPENSES			
Cost of materials consumed	27	7,14,31,456	8,15,51,206
Purchases of stock-in-trade	28	34,72,331	51,65,507
Changes in inventories of finished goods and work-in-progress & intermediates	29	(19,23,223)	14,85,300
Employee benefits expense	30	1,08,08,658	1,03,34,603
Finance costs	31	32,75,770	31,46,149
Depreciation and amortization expense	32	7,70,477	7,68,597
Other expenses	33	1,15,14,439	1,50,52,828
Total expenses		**9,93,49,907**	**11,75,04,189**
Profit before tax		**16,51,888**	**60,61,914**
Tax expense:	34	**(17,80,595)**	**(39,26,391)**
(i) Current tax		-	(14,25,261)
(ii) Deferred tax		(17,80,595)	(4,89,599)
(iii) Deferred tax on goodwill		-	(20,11,531)
(3) Prior Period Tax		-	-
Profit for the year		**34,32,483**	**99,88,305**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**34,32,483**	**99,88,305**
Earnings per equity share:	36		
(1) Basic		0.26	0.77
(2) Diluted		0.26	0.77

See accompanying notes to the financial statements 2

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As per our report of event date
EY Brazil
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Campinas
Date: 10th May 2024

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Jose Nunes
Chief Executive officer
Campinas
Date: 10th May 2024

Claudinei de Castro Vieira
Chief financial officer
Campinas
Date: 10th May 2024

INITIALED FOR IDENTIFICATION PURPOSES
ERNST & YOUNG

ALIVIRA SAUDE ANIMAL LTDA.
Statement of cash flows for the year ended 31 March, 2024
All amounts are in BRL

Particulars		Year ended 31 March, 2024	Year ended 31 March, 2023
Cash flow from Operating Activities			
Profit before tax		**16,51,888**	**60,61,914**
Adjustments for:			
Add: Finance Cost		32,75,770	31,46,149
Add: Depreciation and amortisation expense		7,70,477	7,68,597
Add: ESOP charge		3,58,547	6,59,758
Add: Unrealized exchange loss/(gain) on Loan		(4,63,149)	15,90,614
Add: Provision for doubtful trade receivables		-	75,945
Operating profit before working capital changes		**55,93,533**	**1,23,02,976**
Change in working Capital			
(Increase) / decrease in inventories		(12,21,997)	(31,23,732)
(Increase) / decrease in trade receivables, loans and advances and other assets		69,17,236	(77,97,104)
Increase / (decrease) in trade payables, other payables and provisions		(40,30,597)	14,17,188
Net change in working capital		**16,64,641**	**(95,03,649)**
Cash generated from operations		**72,58,175**	**27,99,328**
Direct taxes (paid)/refund		(95,313)	(9,44,398)
Net cash generated from operating activities	**A**	**71,62,862**	**18,54,930**
Cash Flow from Investing activities			
Purchase of Property, plant & equipment		(9,34,648)	(13,90,697)
Consideration paid on acquisition of subsidiaries		-	(1,00,00,000)
Net cash used in investing activities	**B**	**(9,34,648)**	**(1,13,90,697)**
Cash flow from Financing activities			
Borrowings		(32,52,349)	1,17,51,471
Finance costs paid		(34,11,100)	(27,39,099)
Payment of principal portion of lease liability		(1,73,643)	(1,48,125)
Net cash used in investing activities	**C**	**(68,37,092)**	**88,64,246**
Net increase in cash and cash equivalents during the year	**(A+B+C)**	**(6,08,878)**	**(6,71,521)**
Opening Cash & cash equivalent at the beginning of the year		**8,87,655**	**15,59,176**
Cash and cash equivalents at the end of the year		**2,78,777**	**8,87,655**
Reconciliation of cash and cash equivalents with the Balance sheet			
Cash on hand		327	225
Balances with banks		2,78,450	8,87,431
Cash and cash equivalents as per Balance Sheet (Refer Note 9)		**2,78,777**	**8,87,655**

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

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INITIALED FOR IDENTIFICATION PURPOSES
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ALIVIRA SAUDE ANIMAL LTDA.

Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2024

All amounts are in BRL

(a) Equity share capital

	As at 31 March, 2024		As at 31 March, 2023	
	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

	As at 31 March, 2024				As at 31 March, 2023			
	General reserve	**Retained Earnings**	**Other Reserves**	**Total**	**General reserve**	**Retained Earnings**	**Other Reserves**	**Total**
Reserves and Surplus								
Balance at the beginning 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)**
Profit for the year	-	34,32,483		**34,32,483**	-	99,88,305		**99,88,305**
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	3,58,547	-		**3,58,547**	6,59,758	-		**6,59,758**
Deferred Tax Impact on lease	-	-		-	-	-		-
Balance at the end of the reporting year	**(1,85,55,533)**	**2,01,79,833**	**(2,56,55,708)**	**(2,40,31,408)**	**(1,89,14,080)**	**1,67,47,349**	**(2,56,55,708)**	**(2,78,22,438)**

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

As per our report of event date
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ALIVIRA SAUDE ANIMAL LTDA.
Notes to the financial statements for the year ended 31 March 2024

1. CORPORATE INFORMATION

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

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

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

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

2.3 Functional and presentation currency

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

2.4 Significant Accounting Policies

i. Revenue Recognition

Sale of products

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

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

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

Interest income

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

ii. Leases

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c) Short-term employee benefits

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

d) Other employee benefits

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

vi Taxes on income

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

vii. Property, plant and equipment

a) Recognition and measurement

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

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

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

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

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

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

b) Subsequent costs

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

c) Derecognition of property, plant and equipment

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

viii. Intangible assets

a) Intangible assets acquired separately

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follow:

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

b) Subsequent costs

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

c) Derecognition of intangible assets

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

ix. Inventories

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

x. Provisions and contingent liabilities

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

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

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

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

xi. Financial instruments

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

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

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

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

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

xii Impairment

a) Financial assets

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

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

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

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

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

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

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

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

b) Non-financial assets

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

xiii Earnings per share

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

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

xiv Cash and cash equivalents

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

xv Segment

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

xvi Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.
An asset is treated as current when:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

xvii Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

2A. Use of estimates and management judgments

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

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

i Deferred tax

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

ii. Fair value

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

iii. Post-retirement benefit plans

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

iv. Provisions and contingencies

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

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Note 3: Property, plant and equipment and capital work-in-progress

Particulars	As at 31 March, 2024	As at 31 March, 2023
Carrying Amount of:		
Lease hold improvements	4,39,391	4,20,503
Furniture and fixtures	3,04,841	2,92,144
Computers	86,175	93,750
Right-of-use assets	9,96,951	11,96,341
Plant and machinery	16,00,277	10,10,297
Total	**34,27,636**	**30,13,035**

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, 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	-	8,96,804	13,90,698
Balance as on 31 March, 2023	**4,76,128**	**7,61,083**	**3,02,748**	**21,00,884**	**19,69,130**	**56,09,974**
Assets acquired	37,972	64,757	23,154		8,08,765	9,34,648
Balance as on 31 March, 2024	**5,14,099**	**8,25,841**	**3,25,902**	**21,00,884**	**27,77,896**	**65,44,622**

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, 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**
Depreciation expense for the year	19,083	52,060	30,728	1,99,390	2,18,786	5,20,047
Balance as on 31 March, 2024	**74,708**	**5,20,999**	**2,39,727**	**11,03,933**	**11,77,619**	**31,16,986**

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Plant and machinery	Total
Carrying amount						
Balance as on 01 April, 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	-	8,96,804	13,90,698
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**	**10,10,297**	**30,13,035**
Assets acquired	37,972	64,757	23,154	-	8,08,765	9,34,648
Depreciation expense for the year	19,083	52,060	30,728	1,99,390	2,18,786	5,20,047
Balance as on 31 March, 2024	**4,39,391**	**3,04,841**	**86,175**	**9,96,951**	**16,00,277**	**34,27,636**

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Note 4: Other Intangible assets

Particulars	As at 31 March, 2024	As at 31 March, 2023
Carrying Amount of:		
Product Licenses	13,75,000	16,25,000
Total	**13,75,000**	**16,25,000**

Particulars	Product Licenses
Cost or deemed cost	
Balance as on 01 April, 2022	25,00,000
Assets acquired	-
Balance as on 31 March, 2023	**25,00,000**
Assets acquired	-
Balance as on 31 March, 2024	**25,00,000**

Particulars	Product Licenses
Accumulated amortisation	
Balance as on 01 April, 2022	6,25,000
Amortisation expense for the year	2,50,000
Balance as on 31 March, 2023	**8,75,000**
Amortisation expense for the year	2,50,000
Balance as on 31 March, 2024	**11,25,000**

Particulars	Product Licenses
Carrying amount	
Balance as on 01 April, 2022	18,75,000
Assets acquired	-
Amortisation expense	2,50,000
Balance as on 31 March, 2023	**16,25,000**
Assets acquired	-
Amortisation expense	2,50,000
Balance as on 31 March, 2024	**13,75,000**

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Note no	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
5	**Non-current Investments**		
	Investments in equity instruments - Subsidiaries	-	-
		-	-
6	**Non current Loan**		
	Loan to Others	1,79,062	1,89,442
		1,79,062	1,89,442
7	**Other Non current Financial Assets**		
	Security Deposits	1,34,633	1,34,633
	Social Security Contigent liability	1,64,322	8,09,105
		2,98,955	9,43,738
8	**Deferred tax assets (net)**		
	On account of Leases	1,48,679	1,39,925
	On account of ESOP	8,48,471	7,26,565
	On account of Goodwill	15,53,216	20,31,128
	On Carry forward of losses	38,74,518	17,46,670
		64,24,883	46,44,288
9	**Inventories**		
	(At lower of cost and net realisable value)		
	Raw materials	93,10,027	98,52,453
	Raw materials -GIT		-
	Packing materials	7,43,814	9,02,614
		1,00,53,841	1,07,55,066
	Work-in-progress and intermediates	22,691	1,47,512
	Finished goods	37,50,583	59,54,424
	Goods-in transit - FG	37,64,946	-
		75,38,220	59,54,424
	Trading Goods	10,74,269	5,87,330
		1,86,66,329	1,74,44,332

During the year ended 31 March 2024 BRL 296,120 (31 March 2023 BRL: 165,031) was recognised as an expense towards provision for slow moving, expired and near expiry inventories

Note no	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
10	**Trade receivables**		
	(a) Unsecured, considered good	1,56,04,211	2,14,26,557
	(b) Unsecured, considered doubtful	3,57,138	4,33,084
		1,59,61,349	2,18,59,640
	Less: Provision for doubtful debts	(3,57,138)	(4,33,084)
		1,56,04,211	2,14,26,557

As on 31st Mar 2024

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	1,50,02,000	5,20,186	18,569	63,455			1,56,04,211
(ii) Undisputed Trade Receivables - considered doubtful						3,57,138	3,57,138
(iii) Disputed Trade Receivables - considered good							-
(iv) Disputed Trade Receivables - considered doubtful							-

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 - considerad doubtful				75,945	47,060	3,10,079	4,33,084
(iii) Disputed Trade Receivablas - considered good							-
(iv) Disputed Trade Receivables - considered doubtful							-

Note no	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
11	**Cash and cash equivalents**		
	Cash on hand	327	225
	Balances with banks		
	- In current accounts	2,78,450	8,87,431
		2,78,777	8,87,655
12	Loans		
	Unsecured, considered good;		
	Advances to employees	24,566	23,601
	Loans & Advances to related parties	-	-
	Loans to others	29,364	29,175
		53,930	52,777
13	**Other current financial assets**		
	Interest accrued on fixed deposits		
	Advance Income-Tax including tax deducted at source	95,313	16,76,829
	Derivative Asset	1,25,336	-
		2,20,649	16,76,829
14	**Other current assets**		
	Advance to suppliers	2,38,336	2,55,712
	Balances with government authorities	33,16,302	25,25,836
	Prepaid expenses	5,79,803	3,37,654
	Others	22,988	22,924
		41,57,428	31,42,127

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Note no	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
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 2024		As at 31 March 2023	
	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 2024		As at 31 March 2023	
	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 2024	As at 31 Mar 2023
17	**Financial Liabilities - Long term borrowings**		
	Unsecured - Tokaj Participações Ltda (Previously Fitch Participações Ltda)	92,638	22,35,251
	Unsecured Judicial liabilities	4,80,823	13,46,830
	From bank	27,58,587	62,76,978
		33,32,048	98,59,059

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

Particulars	Terms of repayment	As at 31 Mar 2024	As at 31 Mar 2023
Tokaj Participações Ltda (Previously 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 changed to 0.50% per month from 1st Jun 2020 until Aug 2022. From Sept 2022 it is changes to 0.90% per month.	Repayable in 108 monthly instalments commencing from Jan2020 and repayable fully by Sept 2024	10,66,710	28,99,140
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	14,88,286	22,40,357
From Bank: Loan from Daycoval bank	Loan repayable in 36 months installments - 7.07%+CDI interest rate per year	61,79,017	62,12,475
From Bank: Loan from Safra bank	Loan repayable in 24 months installments - 20.27% interest rate per year	6,74,679	10,07,204
Gross Amount		94,08,693	1,23,59,175
Less: Current maturity of long term debt		60,76,645	25,00,116
		33,32,048	98,59,059

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Note no	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
18	**Other financial liabilities**		
	Statutory remittances	-	2,27,764
	Social Security Cantigent liability	3,34,614	9,67,936
		3,34,614	11,95,700
19	**Financial Liabilities - Short term borrowings**		
	Loans repayable on demand		
	Secured loan		
	From bank (refer note (i) below)	52,18,460	-
	Unsecured loan		
	From bank	40,95,109	9,42,701
	From related party (refer note (iii) below)	2,26,07,843	2,83,98,833
	Current maturities of long-term debt (refer note 17 (i) above)	19,81,536	15,57,416
		3,39,02,947	3,08,98,949

Note :-
i) Loan from Safra bank, interest rate is 8,63% 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 2024	As at 31 Mar 2023
20	**Trade Payable**		
	Trade payable	1,96,90,237	2,36,45,132
		1,96,90,237	2,36,45,132

As on 31st Mar 2024

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	1,71,91,877	24,98,359	-	-	-	1,96,90,237
(ii) Disputed dues - Others						-

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						-

Note no	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
21	**Other Current financial Liabilities**		
	Derivative Instrument	1,971	4,24,668
		1,971	4,24,668
22	**Other Current Liabilities**		
	Statutory remittances	5,79,921	6,01,640
	Advances from customers	16,50,868	9,51,167
		22,30,789	15,52,807
23	**Short term provisions**		
	Provision for compensated absences	7,71,220	6,63,818
		7,71,220	6,63,818
24	**Current tax liabilities (Net)**		
	Provision for taxation	-	-
		-	-

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Note no	Particulars	Year Ended 31st Mar'24	Year Ended 31st Mar'23
25	**Revenue from operations**		
	Gross Sale	10,15,72,348	12,47,09,661
	Less: Sale Return	11,15,951	12,47,245
		10,04,56,396	**12,34,62,415**
26	**Other Income**		
	Other Miscellenous income	5,45,399	1,03,687
	Liabilities / provisions no longer required written back	-	-
		5,45,399	**1,03,687**
27	**Cost of materials consumed**		
	Opening stock	1,07,55,066	61,46,034
	Add: Purchases	7,07,30,230	8,61,60,238
	Less: Closing stock	1,00,53,841	1,07,55,066
		7,14,31,456	**8,15,51,206**
28	**Purchases of stock-in-trade**		
	Purchases of stock-in-trade	34,72,331	51,65,507
		34,72,331	**51,65,507**
29	**Changes in inventories of finished goods and work-in-progress & intermediates**		
	Opening 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**
	Closing stock		
	Work-in-progress and intermediates	22,691	1,47,512
	Finished goods	85,89,798	65,41,754
		86,12,489	**66,89,265**
	Net (increase) / decrease	**(19,23,223)**	**14,85,300**
30	**Employee benefits expense**		
	Salaries and wages	49,41,000	44,97,086
	Contribution to funds/other funds	19,91,195	18,44,828
	Employee Stock option scheme	3,58,547	6,59,758
	Staff welfare expenses	35,17,916	33,32,931
		1,08,08,658	**1,03,34,603**
31	**Finance costs**		
	Interest expense	29,51,869	27,66,291
	Other borrowing costs	79,008	1,09,447
	Interest on lease liabilities	2,44,893	2,70,411
		32,75,770	**31,46,149**
32	**Depreciation and amortization expense**		
	Depreciation on Tangible Assets	3,21,087	3,19,206
	Depreciation on right-of-use assets	1,99,390	1,99,390
	Amortisation of Intangible Assets	2,50,000	2,50,000
		7,70,477	**7,68,597**

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Note no	Particulars	Year Ended 31st Mar'24	Year Ended 31st Mar'23
33	**Other expenses**		
	Travel expenses	6,67,448	5,11,590
	Communication expenses	83,007	80,349
	Contract labour charges	92,033	75,964
	Legal and Professional charges	12,80,088	16,07,582
	Freight and forwarding	27,31,325	26,60,166
	Power and fuel	3,51,226	3,08,754
	Rent	3,89,844	3,13,237
	Analytical charges	6,17,688	4,83,102
	Repairs to buildings	1,30,868	99,884
	Repairs to machinery	5,11,455	5,10,585
	Repairs to others	1,66,003	1,40,870
	Research & Development	4,25,721	3,90,013
	Insurance	86,483	27,095
	Commission on sales	22,61,052	24,27,071
	Production Waste Disposal	43,421	46,060
	Water & Sewage	1,81,572	1,54,790
	Other Office Expenses	5,88,581	7,10,585
	Advertisement and selling expenses	5,94,390	6,69,633
	Rates and taxes	3,11,736	2,49,403
	Net loss on foreign currency transactions and translation	495	35,10,151
	Provision for doubtful trade receivables	-	75,945
		1,15,14,439	**1,50,52,828**
34	**Tax expense**		
	Current tax		(14,25,261)
	Deferred tax	(17,71,841)	(4,72,169)
	Deferred tax Goodwill		(20,11,531)
	Deferred tax leases	(8,754)	(17,430)
	Prior Period Tax	-	-
		(17,80,595)	**(39,26,391)**

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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 2023 to 31 March, 2024**	**1 April 2022 to 31 March, 2023**
Opening Balance	**16,07,885**	**17,56,010**
Accretion of interest	2,44,893	2,70,411
Payments	(4,18,536)	(4,18,536)
Closing Balance	**14,34,242**	**16,07,885**
Current	2,03,556	1,73,643
Non-current	12,30,686	14,34,242

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 2024	**Year ended 31 March 2023**
Depreciation expense of right-of-use assets (Refer Note 32)	1,99,390	1,99,390
Interest expense on lease liabilities (Refer Note 31)	2,44,893	2,70,411
Deferred tax lease (Refer Note 34)	(8,754)	(17,430)
Total amount recognised in profit or loss	4,35,529	4,52,371

36 Earnings per share

Particulars	**1 April 2023 to 31 March, 2024**	**1 April 2022 to 31 March, 2023**
Net profit for the period as per statement of profit and loss	34,32,483	99,88,305
Net profit for the period attributable to the equity shareholders	34,32,483	99,88,305
Weighted average number of equity shares	1,30,20,200	1,30,20,200
Earnings per share - Basic	0.26	0.77
Earnings per share - Diluted	0.26	0.77

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 2024

(ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31st March 2024: Nil (March 31, 2023 : Nil)

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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 2024	Year ended 31 March 2023
i) Income tax expense recognised in the statement of profit and loss		
Current tax	-	(14,25,261)
Total (I)	-	-14,25,261
Deferred tax		
on goodwill	-	-20,11,531
Origination and reversal of temporary differences	-17,80,595	-4,89,599
Total (II)	-17,80,595	-25,01,130
Provision for tax of earlier years Provided (III)	-	-
Total (IV = I+II+III)	(17,80,595)	(39,26,391)

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 2024	31 March 2023
Profit before tax	16,51,888	60,61,914
Statutory income tax rate	34.00%	34.00%
Tax as per applicable tax rate	5,61,642	20,61,051
Differences due to:		
- Provision for tax of earlier years	-	-
- Tax benefit LC 160	(8,15,684)	(26,77,184)
- Goodwill	(12,23,188)	(20,11,531)
- Others	(3,03,366)	(12,98,726)
Income tax expenses charged to the statement of profit and loss	(17,80,595)	(39,26,391)
Effective tax rate	-107.8%	-64.8%

C) Movement in deferred tax assets and liabilities

31 March 2024	As at 01 April 2023	Credit / (charge) in the statement of profit and loss	As at 31 March 2024
- Right-of-use assets (^)	1,39,925	8,754	1,48,679
Tax assets / (liabilities)	1,39,925	8,754	1,48,679
- Unabsorbed depreciation and carried forward of losses	17,46,670	21,78,279	39,24,949
-Employee Stock Option	7,26,565	1,21,906	8,48,471
-On account of Goodwill	20,31,128	-4,77,913	15,53,216
Net tax assets / (liabilities)	46,44,288	18,31,026	64,75,314

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

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

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40 Financial instruments

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

	Carrying value & fair value	
Financial assets	**31 March 2024**	**31 March 2023**
Measured at amortised cost		
Loans	3,52,885	9,96,515
Trade receivables	1,56,04,211	2,14,26,557
Cash and cash equivalents	2,78,777	8,87,655
Other financial assets	2,20,649	16,76,829
Total	**1,64,56,522**	**2,49,87,556**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity)	3,72,34,996	4,07,58,009
Trade payables	1,96,90,237	2,36,45,132
Lease Liabilities	14,34,242	16,07,885
Other financial liabilities	3,36,585	16,20,368
Total	**5,86,96,060**	**6,76,31,394**

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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 2024	31 March 2023
Outstanding for more than 6 months	82,024	4,88,526
Others	1,55,22,187	2,09,38,031
Total	1,56,04,211	2,14,26,557

Information about major Customer
Largest customers Company has total exposure in sales (BRL 2,51,60,588 of total sales) in current year and (BRL 3,88,26,983 of total sales) in FY 2022-23. The receivables from these customers are (BRL 78,75,742 of total receivable) in current year and (BRL 1,51,83,711 of total receivable) in FY 2022-23. 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 2024 and 31 March 2023:

Particulars	As at 31 March 2024			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	1,12,63,525	33,63,657	2,26,07,814	3,72,34,996
Trade payables	1,96,90,237	-	-	1,96,90,237
Lease Liabilities	2,03,556	12,30,686	-	14,34,242
Other financial liabilities	1,971		3,34,614	3,36,585

Particulars	As at 31 March 2023			
	Less than 1 year	1-2 years	2 years and above	Tatal
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

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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 2024		31 March 2023	
	Receivables / (payables)	Receivables / (payables) in foreign currency	Receivables / (payables)	Receivables / (payables) in foreign currency
EURO	(18,117)	(3,356)	(20,870)	(3,773)
USD	(1,19,91,500)	(24,30,137)	(2,04,85,443)	(39,45,227)
USD	88,337	17,902	1,08,418.62	20,880
Net exposure	**(1,19,21,279)**		**(2,03,97,895)**	

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 2024 and 31 March 2023:

Currency	Amount in US $ million		Buy / Sell	Cross currency
	As at 31 March 2024	As at 31 March 2023		
USD	15,00,000	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 2024	**31 March 2023**
10% decrease in foreign currency		
Currency of Europe (Euro)	1,812	2,087
Currency of U.S.A (USD)	11,90,316	20,48,544
10% increase in foreign currency		
Currency of Europe (Euro)	(1,812)	(2,087)
Currency of U.S.A (USD)	(11,90,316)	(20,48,544)

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.

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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 2024	31 March 2023
Fixed-rate instruments		
Financial liabilities		
-Borrowings from bank	58,93,139	-
-Borrowings from related party	2,26,07,843	2,01,68,884
-Borrowings from others	10,66,710	34,55,719
	2,95,67,692	**2,36,24,603**
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	61,79,017	-
-Borrowings from related party	-	82,29,949
-Borrowings from others	14,88,286	28,70,345
Total	**76,67,303**	**1,11,00,294**

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 2024		
Variable-rate instruments	(76,673)	76,673
	(76,673)	76,673
31 March 2023		
Variable-rate instruments	(1,11,003)	1,11,003
	(1,11,003)	1,11,003

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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 2024	31 March 2023
Debt (i)	3,72,34,996	4,07,58,009
Cash and bank balances (ii)	2,78,777	8,87,655
Net debt (i) - (ii)	**3,69,56,218**	**3,98,70,353**
Equity attributable to owners of the Company	(1,10,11,208)	(1,48,02,238)
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

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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 :
Expeden Distribuidora de Produtos Veterinarios Ltda (Formerly known as Evanvet Distribuidora de Produtos Veterinarios 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
Tokaj Participações Ltda (Previously Fitch Participações Ltda)
Ares Holding LTDA

A. Transaction during the period

Nature of Transactions	Year ended 31 March 2024	Year ended 31 March 2023
(i) Sales of materials		
Expeden Distribuidora de Produtos Veterinarios Ltda	3,41,67,626	4,75,12,992
(ii) Interest Expenses		
Tokaj Participações Ltda (Previously Fitch Participações Ltda)	3,20,663	2,74,774
Alivira Saude Animal Do Brasil Participacoes LTDA.		13,25,301
Alivira Animal Health Limited, Ireland	6,61,743	8,06,553
(iii) Loan taken		
Alivira Animal Health Limited, Ireland	-	1,23,44,550
(iv) Loan repaid		
Tokaj Participações Ltda (Previously Fitch Participações Ltda)	18,27,962	8,27,962
Alivira Saude Animal Do Brasil Participacoes LTDA.		96,08,112
(v) Legal & professional Expenses		
Laboratorios Karizoo SA, Spain	1,96,128	1,37,316
(vi) Purchase of materials		
Phytotherapic Solutions S.L.	38,865	24,175
(vii) Shares (sold)/purchased during the year		
Alivira Saude Animal Do Brasil Participacoes LTDA.	-	-
Ares Holding LTDA	-	-

B. Balance as at balance sheet date:

Nature of Transactions	As at 31 March 2024	As at 31 March 2023
(i) Creditors balance		
Laboratorios Karizoo SA, Spain	3,356	11,993
(ii) Advance from Customer		
Expeden Distribuidora de Produtos Veterinarios Ltda	16,05,036	9,00,000
(iii) Loan Outstanding		
Alivira Animal Health Limited, Ireland	2,26,07,843	2,83,98,833
Tokaj Participações Ltda (Previously Fitch Participações Ltda)	10,66,710	29,53,923

As per our report of event date
EY Brazil
Auditors

Campinas
Date: 10th May 2024

FOR AND ON BEHALF OF THE COMPANY

Jose Nunes
Chief Executive officer
Campinas
Date: 10th May 2024

Claudinei de Castro Vieira
Chief financial officer
Campinas
Date: 10th May 2024

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