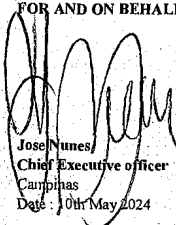



**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Balance Sheet as at 31 March, 2024**  
**All amounts are in BRL**

Particulars	Note No.	As at 31 Mar 2024	As at 31 Mar 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	7,00,079	4,94,920
(b) Financial Assets			
(i) Security Deposits	4	12,000	15,000
(c) Deferred tax assets (net)	5	11,52,437	6,87,985
(d) Other non-current assets	6	36,59,858	33,74,496
		<b>55,24,374</b>	<b>45,72,402</b>
<b>Current assets</b>			
(a) Inventories	7	60,10,940	-
(b) Financial Assets			
(i) Trade receivables	8	86,02,829	1,23,22,747
(ii) Cash and cash equivalents	9	34,40,259	5,55,014
(iii) Loans	10	53,500	60,500
(c) Other current assets	11	30,52,803	21,19,498
		<b>2,11,60,331</b>	<b>1,50,57,759</b>
<b>TOTAL ASSETS</b>		<b>2,66,84,705</b>	<b>1,96,30,161</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	35,000	35,000
(b) Other Equity	13	1,19,48,462	1,18,58,623
		<b>1,19,83,462</b>	<b>1,18,93,623</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease liabilities	26	5,29,281	6,16,825
(ii) Other financial liability	14	66,78,293	51,75,012
		<b>72,07,574</b>	<b>57,91,837</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Short-term borrowings	15	-	-
(ii) Trade payables	15	67,13,844	10,11,418
(iii) Lease liabilities	26	87,544	74,679
(b) Other current liabilities	16	1,00,865	91,578
(c) Current tax liabilities (Net)	17	5,91,415	7,67,025
		<b>74,93,668</b>	<b>19,44,700</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,66,84,705</b>	<b>1,96,30,161</b>
See accompanying notes to the financial statements	2		
The accompanying notes are an integral part of the financial statements.			
<p>As per our report of event date  EY Brazil  Auditors</p> <p>FOR AND ON BEHALF OF THE COMPANY</p> <p>   Jose Nunes  Chief Executive officer  Campinas  Date : 10th May 2024 </p> <p>   Claudio de Castro Vieira  Chief Financial officer  Campinas  Date : 10th May 2024 </p> <p> Campinas  Date : 10th May 2024 </p>			

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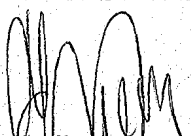
**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Statement of profit and loss for the year ended 31st March 2024**  
**All amounts are in BRL**

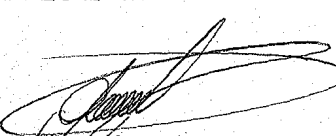
Particulars	Note No	Year Ended 31st Mar'24	Year Ended 31st Mar'23
<b>INCOME</b>			
Revenue From Operations	18	5,78,88,541	7,57,52,802
Other Income	19	1,96,693	56,882
<b>Total income</b>		<b>5,80,85,233</b>	<b>7,58,09,684</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	3,31,14,440	5,37,18,616
Employee benefits expense	21	30,91,431	8,73,400
Finance costs	22	1,61,832	2,57,030
Depreciation and amortization expense	23	85,901	82,487
Other expenses	24	97,63,363	1,06,52,499
<b>Total expenses</b>		<b>4,62,16,966</b>	<b>6,55,84,032</b>
<b>Profit/(Loss) before tax</b>		<b>1,18,68,267</b>	<b>1,02,25,653</b>
<b>Tax expense:</b>	25	<b>16,87,407</b>	<b>24,57,814</b>
(1) Current tax		21,51,859	29,06,738
(2) Deferred tax		(4,41,196)	(4,48,924)
(3) Deferred tax on ESOP		(23,256)	-
<b>Profit/ (Loss) for the Year</b>		<b>1,01,80,860</b>	<b>77,67,838</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>1,01,80,860</b>	<b>77,67,838</b>
<b>Earnings per equity share:</b>	27		
(1) Basic		290.88	221.94
(2) Diluted		290.88	221.94

See accompanying notes to 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: 10th May 2024

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

Campinas  
Date: 10th May 2024

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**Expeden Distribuidora de Medicamentos Veterinarios 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
<b>Cash flow from Operating Activities :</b>		
Profit/(Loss) before tax	1,18,68,267	1,02,25,653
Adjustments for:		
Add: Finance Cost	1,61,832	2,57,030
Add: Depreciation	85,901	82,487
Add: Provision for Trade Receivables	3,45,765	54,458
Add: Employee Stock option scheme	68,400	
Operating profit before working capital changes	1,25,30,164	1,06,19,627
<b>Change in working Capital</b>		
(Increase) / decrease in trade receivables, loans and advances and other assets	21,65,487	23,29,524
(Increase) / decrease in inventories	(60,10,940)	-
Increase / (decrease) in trade payables, other payables and provisions	72,14,994	(3,42,804)
Net change in working capital	33,69,541	19,86,720
Cash generated from operations	1,58,99,705	1,26,06,347
Direct taxes (paid)/refund	(23,27,469)	(31,64,623)
Net cash generated from operating activities	A 1,35,72,235	94,41,723
<b>Cash Flow from Investing activities</b>		
Purchase of Property, plant and equipment	(2,91,059)	-
Net cash used in investing activities	B (2,91,059)	-
<b>Cash flow from Financing activities</b>		
Borrowings during the Year	-	(8,00,000)
Payment of principal portion of Lease Liabilities	(74,679)	(63,704)
Dividends paid	(1,01,59,420)	(82,70,035)
Finance cost	(1,61,832)	(2,57,030)
Net cash generated from investing activities	C (1,03,95,931)	(93,90,768)
Net increase/(decrease) in cash and cash equivalents during the Year	(A+B+C) 28,85,245	50,955
Opening Cash & cash equivalent at the beginning of the Year	5,55,014	5,04,059
Cash and cash equivalents at the end of the Year	34,40,259	5,55,014
<b>Reconciliation of cash and cash equivalents with the Balance sheet</b>		
Cash on hand	-	-
Balances with banks	34,40,259	5,55,014
Cash and cash equivalents as per Balance Sheet (Refer Note 8)	34,40,259	5,55,014

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

Claudio de Castro Vieira  
Chief Financial officer  
Campinas  
Date: 10th May 2024

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Statement of Changes in Equity for the year ended 31 March, 2024**  
 All amounts are in BRL

**(a) Equity share capital**

Balance at the beginning of the reporting Year  
 Changes in equity share capital during the Year  
 Balance at the end of the reporting Year

As at 31 March, 2024		As at 31 March, 2023	
No. of Shares	Amount	No. of Shares	Amount
35,000	35,000	35,000	35,000
-	-	-	-
35,000	35,000	35,000	35,000

**(b) Other Equity**

**Reserves and Surplus**

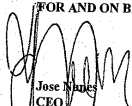
Balance at the beginning of the reporting Year  
 Profit for the Year  
 Dividend  
 Lease as per IND AS 116  
 Corporate Emp. Expenses - Reserve  
 Deferred tax impact on lease  
 Balance at the end of the reporting Year


As at 31 March, 2024			As at 31 March, 2023		
General reserve	Retained Earnings	Total	General reserve	Retained Earnings	Total
-	1,18,58,623	1,18,58,623	-	1,23,60,819	1,23,60,819
-	1,01,80,860	1,01,80,860	-	77,67,838	77,67,838
-	(1,01,59,420)	(1,01,59,420)	-	(82,70,035)	(82,70,035)
68,400	-	68,400	-	-	-
-	-	-	-	-	-
68,400	1,18,80,062	1,19,48,462	-	1,18,58,623	1,18,58,623

As per our report of event date  
 EY Brazil  
 Auditors

Campinas  
 Date : 10th May 2024

FOR AND ON BEHALF OF THE COMPANY

  
 Jose Nogueira  
 CEO  
 Campinas  
 Date : 10th May 2024

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

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**1. CORPORATE INFORMATION**

Evanvet Distribuidora De Produtos Veterinarios Ltda ("the Company") is a company duly organised and incorporated in accordance with the laws of Brazil and is engaged in the distribution 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).

**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March 2024**

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

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March 2024**

**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.

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March 2024**

**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.

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March 2024**

**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.

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March 2024**

**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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Expeden Distribuidora de Medicamentos Veterinarios Ltda  
Notes to the financial statements for the year ended 31 March, 2024  
All amounts are in BRL  
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	2,33,985	-
Furniture and fixtures	15,145	-
Computers	9,598	-
Right-of-use assets	4,12,433	4,94,920
Vehicles	23,800	-
Plant and machinery	5,117	-
<b>Total</b>	<b>7,00,079</b>	<b>4,94,920</b>

2,91,059

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Vehicles	Plant and machinery	Total
Cost or deemed cost							
Balance as on 01 April, 2022				8,24,867			8,24,867
Assets acquired							
<b>Balance as on 31 March, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,24,867</b>	<b>-</b>	<b>-</b>	<b>8,24,867</b>
Assets acquired	2,36,507	15,598	9,743		24,000	5,212	2,91,059
<b>Balance as on 31 March, 2024</b>	<b>2,36,507</b>	<b>15,598</b>	<b>9,743</b>	<b>8,24,867</b>	<b>24,000</b>	<b>5,212</b>	<b>11,15,926</b>

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Vehicles	Plant and machinery	Total
Accumulated depreciation and impairment							
Balance as on 01 April, 2022				2,47,460			2,47,460
Depreciation expense for the year				82,487			82,487
<b>Balance as on 31 March, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,29,947</b>	<b>-</b>	<b>-</b>	<b>3,29,947</b>
Depreciation expense for the year	2,522	453	145	82,487	200	95	85,901
<b>Balance as on 31 March, 2024</b>	<b>2,522</b>	<b>453</b>	<b>145</b>	<b>4,12,433</b>	<b>200</b>	<b>95</b>	<b>4,15,848</b>

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Vehicles	Plant and machinery	Total
Carrying amount							
Balance as on 01 April, 2022	-	-	-	5,77,407	-	-	5,77,407
Assets acquired	-	-	-	-	-	-	-
Depreciation expense for the year	-	-	-	82,487	-	-	82,487
<b>Balance as on 31 March, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,94,920</b>	<b>-</b>	<b>-</b>	<b>4,94,920</b>
Assets acquired	2,36,507	15,598	9,743	-	24,000	5,212	2,91,059
Depreciation expense for the year	2,522	453	145	82,487	200	95	85,901
<b>Balance as on 31 March, 2024</b>	<b>2,33,985</b>	<b>15,145</b>	<b>9,598</b>	<b>4,12,433</b>	<b>23,800</b>	<b>5,117</b>	<b>7,00,079</b>

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**Expedien Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March, 2024**  
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Note no	Particulars	As at 31 Mar 2023	As at 31 Mar 2022
4	<b>Financial assets</b>		
	Security Deposits	12,000	15,000
		<u>12,000</u>	<u>15,000</u>
5	<b>Deferred tax assets (net)</b>		
	On account of Leases	69,493	66,838
	On account of ESOI	23,256	-
	Others-Income Tax	10,59,688	6,21,147
		<u>11,52,437</u>	<u>6,87,985</u>
6	<b>Other non-current assets</b>		
	Social Security Contingent liability	36,59,858	33,74,496
		<u>36,59,858</u>	<u>33,74,496</u>
7	<b>Inventories</b>		
	Traded Goods	60,10,940	-
		<u>60,10,940</u>	<u>-</u>
8	<b>Trade receivables</b>		
	(a) Unsecured, considered good	86,02,829	1,23,22,747
	(b) Unsecured, considered doubtful	6,27,176	2,80,066
		<u>92,30,005</u>	<u>1,26,02,813</u>
	Less: Provision for doubtful debts	(6,27,176)	(2,80,066)
		<u>86,02,829</u>	<u>1,23,22,747</u>

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	75,48,510	10,44,287	10,032				86,02,829
(ii) Undisputed Trade Receivables - considered doubtful			24,511	3,25,938	51,119	2,25,608	6,27,176
(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	1,18,97,085	4,25,662					1,23,22,747
(ii) Undisputed Trade Receivables - considered doubtful				54,458		2,25,608	2,80,066
(iii) Disputed Trade Receivables - considered good							-
(iv) Disputed Trade Receivables - considered doubtful							-

9	<b>Cash and cash equivalents</b>		
	Balances with banks	34,40,259	5,55,014
	- In current accounts	<u>34,40,259</u>	<u>5,55,014</u>
10	<b>Loans</b>		
	Unsecured, considered good		
	Advances to employees	3,500	10,500
	Loans & Advances to related parties	50,000	50,000
		<u>53,500</u>	<u>60,500</u>
11	<b>Other current assets</b>		
	Advance to supplier	16,14,498	12,24,933
	Balances with government authorities	14,28,469	8,92,129
	Prepaid Expenses	9,836	2,436
		<u>30,52,803</u>	<u>21,19,498</u>
12	<b>Share capital</b>		
(a)	<b>Authorized</b>		
	35000 (March 2020 : 35000) equity shares of BRL 1.00 each	35,000	35,000
(b)	<b>Issued, Subscribed and not fully paid up</b>		
	35000 (March 2020 : 35000) equity shares of BRL 1.00 each	35,000	35,000
		<u>35,000</u>	<u>35,000</u>

Notes:

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

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 period	35,000	35,000	35,000	35,000
Add: Shares issued during the period	-	-	-	-
Shares outstanding at the end of the period	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>

(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.

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Notes to the financial statements for the year ended 31 March, 2024  
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Note no	Particulars	As at 31 Mar 2023	As at 31 Mar 2022
(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
Alivira Sude Animal Do Brasil Participacoes LTDA.		Nos of Shares 35,000	% of Holding 100.00%
		Nos of Shares 35,000	% of Holding 100.00%
14	Other financial Liability		
	Social Security Contingent Liability	66,78,293	51,75,012
		66,78,293	51,75,012
15	Long Term Provisions		
	Provision for employee benefits		
	(i) Provision for gratuity (net)		
	(ii) Provision for compensated absences		
15	Short Term Borrowing		
	Loans repayable on demand		
	Secured Loan		
	-From bank (refer note (i) below)	-	-
	Unsecured Loan		
	-From related parties	-	-
	-From bank(refer note (i) below)	-	-
		-	-
	Note :-		
	1) The interest on above loans is 17.31% per annum		
15	Trade Payable		
	Trade payable	67,13,844	10,11,418
	Trade payable-Domestic-Supplies		
	Trade payable-Imports		
	Payables on purchase of Distribution Stock		
	Trade payable-Others		
		67,13,844	10,11,418

As on 31st Mar 2024

Particulars	Not Due	Outstanding for following periods from due date of payment #				Total
		Less than	1-2	2-3	More than	
(i) Others	67,13,844					67,13,844
(ii) Disputed dues - Others						-

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Expeden Distribuidora de Medicamentos Veterinarios Ltda  
Notes to the financial statements for the year ended 31 March, 2024  
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Note no	Particulars	As at 31 Mar 2023	As at 31 Mar 2022
As on 31st Mar 2023			
	Particulars	Net Due	Outstanding for following periods from due date of payment #
		less than	1-2
		2-3	More than
		Total	
	(i) Others	10,11,418	10,11,418
	(ii) Disputed dues - Others		
16	Other Current Liabilities		
	Statutory remittances	1,00,809	91,521
	Advances from customers	56	56
		1,00,865	91,578
17	Current tax liabilities		
	Provision for tax March 31, 2024 BRL 2,151,859 (March 31, 2023 BRL 2,906,738)	5,91,415	7,67,025
		5,91,415	7,67,025

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March, 2024**  
**All amounts are in BRL**

Note no	Particulars	Year Ended 31st Mar'24	Year Ended 31st Mar'23
<b>18</b>	<b>Revenue from operations</b>		
	Gross Sales	5,86,64,263	7,63,96,799
	Less: Sales Return	7,75,722	6,43,998
		<u>5,78,88,541</u>	<u>7,57,52,802</u>
<b>19</b>	<b>Other Income</b>		
	Miscellaneous Income	1,96,693	56,882
		<u>1,96,693</u>	<u>56,882</u>
<b>20</b>	<b>Cost of materials consumed</b>		
	Opening stock of Traded goods	-	-
	Add: Purchases of Traded goods	3,91,25,380	5,37,18,616
	Less: Closing stock of Traded goods	60,10,940	-
		<u>3,31,14,440</u>	<u>5,37,18,616</u>
<b>21</b>	<b>Employee benefits expense</b>		
	Salaries and wages	25,03,790	7,27,833
	Contribution to funds/other funds	5,00,758	1,45,567
	Employee Stock option scheme	68,400	-
	Staff welfare expenses	18,483	-
		<u>30,91,431</u>	<u>8,73,400</u>
<b>22</b>	<b>Finance costs</b>		
	Interest expense	28,376	98,350
	Other borrowing costs	28,135	42,383
	Interest expenses of lease liabilities (Refer note 24)	1,05,321	1,16,296
		<u>1,61,832</u>	<u>2,57,030</u>
<b>23</b>	<b>Depreciation and amortization expense</b>		
	Tangible assets	3,414	-
	Depreciation Expenses on right-of-use assets (Refer Note 3)	82,487	82,487
		<u>85,901</u>	<u>82,487</u>
<b>24</b>	<b>Other expenses</b>		
	Travel expenses	13,85,806	12,13,608
	Communication expenses	13,661	15,727
	Legal and Professional charges	53,61,977	63,89,312
	Freight and forwarding	12,46,525	13,69,801
	Power and fuel	5,533	2,368
	Rent	(38,964)	2,400
	Repairs to buildings	-	-
	Repairs to others	22,973	10,647
	Insurance	4,720	2,647
	Commission on sales	11,62,482	14,60,366
	Water & Sewage	2,598	7,889
	Other Office Expenses	4,139	-
	Advertisement and selling expenses	2,24,915	1,08,530
	Rates and taxes	21,233	14,746
	Provision for doubtful trade receivables	3,45,765	54,458
	Other expenses	-	-
		<u>97,63,363</u>	<u>1,06,52,499</u>
<b>25</b>	<b>Tax expense</b>		
	Current tax	21,51,859	29,06,738
	Deferred tax	(4,38,541)	(4,42,538)
	Deferred tax leases	(2,655)	(6,386)
	Deferred tax on ESOP	(23,256)	-
		<u>16,87,407</u>	<u>24,57,814</u>

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March, 2024**  
**All amounts are in BRL**

**26 Details of leasing arrangements**

The Company's significant leasing arrangement is mainly in respect of office premises; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is BRL 1,80,000

The following is the movement in lease liabilities:

Particulars	1 April 2023 to 31 March, 2024	1 April 2022 to 31 March, 2023
<b>Opening Balance</b>	6,91,504	7,55,208
Accretion of interest	1,05,321	1,16,296
Payments	(1,80,000)	(1,80,000)
<b>Closing Balance</b>	6,16,825	6,91,504
Current	87,544	74,679
Non-current	5,29,281	6,16,825

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	82,487	82,487
Interest expense on lease liabilities	1,05,321	1,16,296
Deferred tax on leases	(2,655)	(6,386)
<b>Total amount recognised in profit or loss</b>	<b>1,85,153</b>	<b>1,92,397</b>

**27 Earnings per share**

Particulars	1 April 2023 to 31 March, 2024	1 April 2022 to 31 March, 2023
Net profit / (loss) for the period as per statement of profit and loss	1,01,80,860	77,67,838
Net profit / (loss) for the period attributable to the equity shareholders	1,01,80,860	77,67,838
Weighted average number of equity shares	35,000	35,000
Earnings / (Loss) per share - Basic	290.88	221.94
Earnings / (Loss) per share - Diluted	290.88	221.94

**28 Segment information**

Segments have been identified taking into account the nature of services, 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 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 activities of the Company are in Brazil.

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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March, 2024**  
**All amounts are in BRL**

**29 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 :**

Alivira Saude Animal Ltda.(Formerly Known as Interchange Veterinária Indústria E Comércio Ltda w.e.f 20 January 2022)

**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**

Ares Holding LTDA (Merged by Alivira Participações in Feb'22)

Transaction during the period	April 2023 to March 2024	April 2022 to March 2023
<b>(i) Purchase of materials</b>		
Alivira Saude Animal Ltda.	3,41,67,626	4,75,12,992
<b>(ii) Professional/ Support Charges</b>		
José Nunes Filho	85,510	4,94,181
Claudinei de Castro Vieira	74,770	4,44,541
Marcelo Ziani	82,981	4,13,411
Ricardo Wegher		1,15,958
<b>(iii) Remuneration paid</b>		
José Nunes Filho	8,86,565	2,67,307
Claudinei de Castro Vieira	7,84,361	2,15,263
Marcelo Ziani	7,84,361	2,15,263
Ricardo Wegher		2,34,941
<b>(iv) Shares (sold)/Purchase during the year</b>		
Alivira Saude Animal Do Brasil Participacoes LTDA.		-
Ares Holding LTDA (Merged by Alivira Participações in Feb'22)		-
<b>(v) Dividend Paid</b>		
Alivira Saude Animal Do Brasil Participacoes LTDA.	1,01,59,420	82,70,035

Balance as at balance sheet date:	As at March 31, 2024	As at March 31, 2023
<b>(i) Creditors balance</b>		
Alivira Saude Animal Ltda.		-
<b>(ii) Other receivable</b>		
Alivira Saude Animal Do Brasil Participacoes LTDA.	50,000	50,000
<b>(iii) Advance to Supplier</b>		
Alivira Saude Animal Ltda.	16,05,036	9,00,000

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**30 Contingent liabilities and commitments**

**(i) Contingent liabilities**

There is no contingent liabilities and commitments as at 31st March 2024: Nil (March 31, 2023 : Nil)

**(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)

**As per our report of event date**

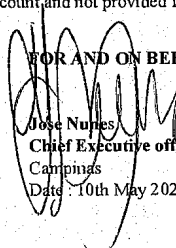
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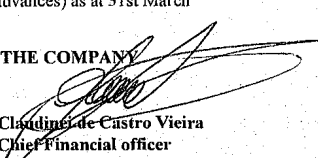
Auditors

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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**Expeden Distribuidora de Medicamentos Veterinarios Ltda**  
**Notes to the financial statements for the year ended 31 March, 2024**  
**All amounts are in BRL**

**31 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
<b>i) Income tax expense recognised in the statement of profit and loss</b>		
Current tax	21,51,859	29,06,738
<b>Total (I)</b>	21,51,859	29,06,738
<b>Deferred tax charge</b>		
Origination and reversal of temporary differences	-4,41,196	-4,48,924
<b>Total (II)</b>	-4,41,196	-4,48,924
<b>Deferred tax on ESOP (III)</b>	-23,256	0
<b>Total (IV = I+II+III)</b>	16,87,407	24,57,814

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	1,18,68,267	1,02,25,653
Statutory income tax rate	34.00%	34.00%
Tax as per applicable tax rate	40,35,211	34,76,722
<b>Differences due to:</b>		
- Provision for tax of earlier years		
- Tax benefit LC 160	(22,71,975)	(11,51,411)
- Others	(75,828)	1,32,503
<b>Income tax expenses charged to the statement of profit and loss</b>	16,87,407	24,57,814
Effective tax rate	14.2%	24.0%

**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
- Expenses allowable on payment basis	6,21,147	4,38,541	10,59,688
- Right-of-use assets (^)	66,838	2,655	69,493
- Other-ESOP	-	23,256	23,256
<b>Tax assets</b>	6,87,985	4,64,452	11,52,437

31 March 2023			
	As at 01 April 2022	Credit / (charge) in the statement of profit and loss	As at 31 March 2023
- Expenses allowable on payment basis	1,78,609	4,42,538	6,21,147
- Right-of-use assets (^)	60,452	6,386	66,838
<b>Tax assets</b>	2,39,061	4,48,924	6,87,985

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



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**32 Financial instruments**

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

Carrying value and fair value		
Financial assets	31 March 2024	31 March 2023
<b>Measured at amortised cost</b>		
Loans	65,500	75,500
Trade receivables	86,02,829	1,23,22,747
Cash and cash equivalents	34,40,259	5,55,014
<b>Total</b>	<b>1,21,08,588</b>	<b>1,29,53,261</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings (including current maturity of long-term borrowings)	-	-
Trade payables	67,13,844	10,11,418
Lease liabilities	6,16,825	6,91,504
Other financial liabilities	66,78,293	51,75,012
<b>Total</b>	<b>1,40,08,962</b>	<b>68,77,934</b>

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**32.1 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 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.

**32.2 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 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	10,032	-
Others	85,92,796	1,23,22,747
<b>Total</b>	<b>86,02,829</b>	<b>1,23,22,747</b>

Information about major Customer

Largest customer has total exposure in sales BRL 45,98,152 (8% of total sales) in current year and BRL 81,71,065 (11% of total sales) in FY 2022-23. The receivables from the customer are BRL 7,80,272 in current year and BRL 8,15,913 in FY 2022-23. Apart from the aforesaid customers, the Company does not have a significant credit risk exposure to any other external counterparty.

**32.3 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)	-	-	-	-
Trade payables	67,13,844	-	-	67,13,844
Lease liabilities	74,679	87,544	4,54,602	6,16,825
Other financial liabilities	66,78,293	-	-	66,78,293

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)	-	-	-	-
Trade payables	10,11,418	-	-	10,11,418
Lease liabilities	74,679	87,544	5,29,281	6,91,504
Other financial liabilities	51,75,012	-	-	51,75,012

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#### 32.4 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.

#### a) 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
Financial liabilities		
-Borrowings from bank	-	-
-Borrowings from related party	-	-
	-	-

#### 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.

#### 32.5 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 2024, 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)	-	-
Cash and bank balances (ii)	34,40,259	5,55,014
Net debt [ (i) - (ii) ]	(34,40,259)	(5,55,014)
Equity attributable to owners of the Company	1,19,83,462	1,18,93,623
Gearing ratio : Net debt / Equity.	NA	-4.67%

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