TOPKİM TOPKAPI İLAÇ PREMİKS SANAYİ VE TİCARET ANONİM ŞİRKETİ

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YÖNETİM KURULU KARARI

KARAR TARİHİ 02 Mayıs 2024

KARAR SAYISI 2024/2

KATILANLAR
- Murat Menteş
- Alexis Goux

KONU
Şirketin 01 Ocak ve 31 Mart dönemine ait finansal tablolarının okunması ve onaylanması

Şirket Yönetim Kurulu üyeleri Şirket merkezinde toplanarak aşağıdaki kararları almıştır:

1. Şirketin, mali yılın dördüncü çeyreğine, yani 01 Ocak ve 31 Mart dönemine, ait olmak üzere, Bilanço ve Kar-Zarar Hesabı'ndan oluşan, mali tablolarının okunmasına ve uygun olması halinde onaylanmasına,
2. Ayrıca, söz konusu toplantıda okunacak ve onaylanacak mali tablolar bu toplantı ilanına Ek I olarak eklenmesine,

oybirliği ile karar verilmiştir.

Yönetim Kurulu Başkanı
Murat Menteş

Yönetim Kurulu Başkan Yardımcısı
Alexis Goux

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RESOLUTION OF THE BOARD OF DIRECTORS

RESOLUTION DATE May 02, 2024

RESOLUTION NO 2024/2

ATTENDEES
- Murat Menteş
- Alexis Goux

SUBJECT
Reading and approval of the financial statements of the Company for the period of January 01st and March 31th

The Board of Directors members of the company are gathered at the principal office of the Company and have adopted the resolutions that are written below:

1. Reading and approval, if appropriate, of the Company's financial statements for the fourth quarter of the financial year, namely January 01st and March 31th period, comprising of the Balance Sheet and Profit and Loss Account;
2. In addition, the financial statements to be read and approved at the aforementioned meeting are attached as Annex I to this notice of meeting;

The above resolutions are adopted unanimously.

Chairman of Board of Directors
Murat Menteş

Vice Chairman of Board of Directors
Alexis Goux

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Ek I	**Annex I**
Mali yılın dördüncü çeyreğine, yani 01 January ve 31 March dönemine, ait olmak üzere, Bilanço ve Kar-Zarar Hesabı'ndan oluşan, mali tablolar.	Financial statements for the fourth quarter of the financial year, namely January 01st and March 31th period, comprising of the Balance Sheet and Profit and Loss Account.

TOPKİM-TOPKAPI İLAÇ PREMİKS SAN. VE TİC. A.Ş.
Balance Sheet As at 31st March 2024
All amounts are in Turkish Lira unless otherwise stated

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
ASSETS			
1 **Non-current assets**			
(a) Property, plant and equipments	3	3,965,794	2,849,843
(b) Right of Use assets	3	110,093	88,945
(c) Other Intangible assets	3	828,299	560,809
(d) Financial Assets			
(i) Other financial assets	4	294,096	206,174
(e) Deferred tax assets (net)	5	11,105,809	5,263,709
(f) Other non-current assets	6	675	590,975
		16,304,766	**9,560,455**
2 **Current assets**			
(a) Inventories	6	35,910,836	47,759,453
(b) Financial Assets			
(i) Trade receivables	7	97,540,529	86,574,211
(ii) Cash and cash equivalents	8	3,037,402	4,712,388
(iii) Loans	9	26,315,518	2,663,092
(c) Other current assets	10	10,730,715	11,926,996
		173,535,000	**153,636,140**
TOTAL ASSETS		**189,839,766**	**163,196,595**
EQUITY AND LIABILITIES			
1 **Equity**			
(a) Equity share capital	11	2,535,928	1,505,122
(b) Other Equity	12	40,005,952	52,080,682
		42,541,880	**53,585,804**
2 **Non-Current Liabilities**			
(a) Financial Liabilities			
(i) Borrowings	13	6,355,866	16,000,000
(ii) Lease liability	29	68,498	88,603
(b) Long-term provisions	14	2,010,163	2,108,448
		8,434,527	**18,197,051**
3 **Current liabilities**			
(a) Financial Liabilities			
(i) Borrowings	15	96,159,714	53,915,245
(ii) Trade payables	16	39,048,986	28,198,021
(iii) Lease liability	29	27,094	15,853
(iv) Other financial liabilities	17	386,992	-
(b) Other current liabilities	18	1,942,820	1,303,156
(c) Provisions	19	1,140,003	1,270,105
(d) Current tax liabilities (Net)	20	157,750	6,711,360
		138,863,359	**91,413,740**
TOTAL EQUITY AND LIABILITIES		**189,839,766**	**163,196,595**
See accompanying notes to the financial statements	2		

As per our report of event date
Margin Serbest Muhasebeci Mali Müşavirlik Ltd.

Margin SMMM Ltd.
Avcılar VD 612 114 2617
Üniversite Mah. Civan Sk. N:1
AllureTower 9-134 Avcılar İst

Place : Istanbul
Date : 13th May 2024

For and on Behalf of the Board of Directors

Murat Mentes
Director
Istanbul, 13th May 2024

TOPKİM TOPKAPI İLAÇ PREMİKS
SAN. ve TİC. A.Ş.
Çavuşoğlu Mh. Başkomutan Cd. No:28
Kartal / İSTANBUL
Yenikapı V.D.: 854 000 7944

TOPKİM-TOPKAPI İLAÇ PREMİKS SAN. VE TİC. A.Ş.
Statement of Profit and Loss for the Year ended 31st March 2024
All amounts are in Turkish Lira unless otherwise stated

	Particulars	Note No	Year Ended 31 March 2024	Year Ended 31 March 2023
(I)	Revenue From Operations	20	295,365,580	212,664,620
(II)	Other Income	21	(35,233,428)	(37,517,880)
	Total Income (I+ II)		**260,132,152**	**175,146,740**
(III)	EXPENSES			
	Cost of materials consumed	22	145,542,110	150,046,050
	Changes in inventories of finished goods and work-in-progress & intermediates	23	4,159,934	(7,428,762)
	Employee benefits expense	24	41,386,997	27,002,544
	Finance costs	25	12,621,550	4,385,963
	Depreciation and amortization expense	26	1,107,900	814,185
	Other expenses	27	147,274,415	78,798,236
	Total expenses (III)		**352,092,906**	**253,618,217**
(IV)	**Loss before tax** **(IV)**		**(91,960,754)**	**(78,471,476)**
(V)	Tax expense:	28		
	(a) Current tax		-	-
	(b) Deferred tax		(5,842,099)	(5,870,777)
	(c) Prior Period tax		(4,930,894)	(746,623)
	Total Tax (V)		**(10,772,993)**	**(6,617,400)**
(VI)	Loss for the year (IV-V) **VI**		**(81,187,761)**	**(71,854,076)**
(VII)	Other comprehensive (loss) for the year, net of taxes			
	(i) Items that will not be reclassified subsequently to profit and loss			
	(a) Remeasurement (loss) on post-employment defined benefit plans		(1,813,899)	(1,607,446)
(VIII)	Total Comprehensive Income for the year (VI+VII) **VIII**		**(83,001,660)**	**(73,461,522)**
(XI)	Earnings per equity share:	30		
	(1) Basic		(0.81)	(0.72)
	(2) Diluted		(0.81)	(0.72)
	See accompanying notes to the financial statements	2		

As per our report of event date
Margin Serbest Muhasebeci Mali Müşavirlik Ltd.

Margin SMMM Ltd.
Avcılar VD 612 111 2617
Üniversite Mah. Civan Sk. N:1
AllureTower 9/134 Avcılar Ist

Place : Istanbul
Date : 13th May 2024

For and on Behalf of the Board of Directors

Murat Mentes
Director
Istanbul, 13th May 2024

TOPKİM TOPKAPI İLAÇ PREMİKS
SAN. ve TİC. A.Ş.
Çavuşoğlu Mh. Başkumandan Cd. No 28
Kartal / İSTANBUL
Yenikapı V.D.: 854 000 7944

TOPKİM-TOPKAPI İLAÇ PREMİKS SAN. VE TİC. A.Ş.
Statement of cash flows for the year ended 31 March, 2024
All amounts are in Turkish Lira unless stated otherwise

Particulars		Year Ended 31 March 2024	Year Ended 31 March 2023
Cash flow from Operating Activities :-			
Net Loss before tax		**(91,960,754)**	**(78,471,476)**
Adjustments for:			
Finance costs		12,621,550	4,385,963
Depreciation and amortisation expenses		1,107,900	814,185
Employee Stock option expenses		2,792,391	2,267,716
Interest Income		(53,570)	(332,899)
Profit on sale of vehicles (net)		(237,624)	-
Monetary Gain on hyperinflation adjustment		37,074,543	38,550,094
Opening Inventory Adjustment on account of hyperinflation		-	6,199,839
Profit on sale of investment (net)		(28)	(88,386)
Unrealised forex loss (net)		60,871,337	7,380,718
Operating profit/(loss) before working capital changes		**22,215,745**	**(19,294,245)**
Change in working Capital			
(Increase) / decrease in trade receivables, loans and advances and other assets		(38,762,185)	(15,412,829)
(Increase) / decrease in inventories		11,848,617	(24,897,551)
Increase / (decrease) in trade payables, other payables and provisions		16,849,167	4,004,222
Net changes in working capital		**(10,064,401)**	**(36,306,158)**
Cash generated from operations		**12,151,344**	**(55,600,403)**
Direct taxes (paid)/refund		(790,750)	(1,800,350)
Net cash generated/used from operating activities	**A**	**11,360,595**	**(57,400,753)**
Cash Flow from Investing activities			
Purchase of property, plant and equipment and intangible assets		(680,654)	(2,453,374)
Proceeds from disposal of vehicles		237,624	-
Purchase of current investments (net)		28	2,598,518
Interest received		53,570	332,899
Net cash (used in)/generated from investing activities	**B**	**(389,432)**	**478,043**
Cash flow from Financing activities			
Repayment of loan		(6,353,714)	(28,472,974)
Proceed from loan		96,366	81,091,331
Interest paid		(6,355,800)	(2,281,818)
Payment of lease liabilities		(33,000)	-
Net cash generated/(used in) financing activities	**C**	**(12,646,148)**	**50,336,539**
Net decrease in cash and cash equivalents during the year	**(A+B+C)**	**(1,674,986)**	**(6,586,171)**
Opening Cash & cash equivalent at the beginning of the year		**4,712,388**	**11,298,559**
Cash and cash equivalents at the end of the year		**3,037,403**	**4,712,388**
Reconciliation of cash and cash equivalents with the Balance sheet			
Cash on hand		643	643
Balances with banks		3,036,759	4,711,745
Cash and cash equivalents as per Balance Sheet (Refer Note 8)		**3,037,402**	**4,712,388**

The accompanying notes are an integral part of the financial statements

As per our report of event date
Margin Serbest Muhasebeci Mali Müşavirlik Ltd.
Margin SMMM Ltd.
Avcılar VD 612 111 2617
Üniversite Mah. Civan Sk. N:1
AllureTower 9/134 Avcılar Ist
Place : Istanbul
Date : 13th May 2024

For and on Behalf of the Board of Directors

Murat Mentes
Director
Istanbul, 13th May 2024

TOPKİM TOPKAPI İLAÇ PREMİKS
SAN. ve TİC. A.Ş.
Çavuşoğlu Mh. Başkomutan Cd. No:28
Kartal / İSTANBUL
Yenikapı V.D.: 854 000 7944

TOPKİM-TOPKAPI İLAÇ PREMİKS SAN. VE TİC. A.Ş.
Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2024
All amounts are in Turkish Lira unless otherwise stated

(a) Equity share capital

Particulars	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	100,000,000	1,000,000	100,000,000	1,000,000
Changes in equity share capital during the year	-	-	-	-
Share Capital Impact of hyperinflation		1,535,928		505,122
Balance at the end of the reporting period	**100,000,000**	**2,535,928**	**100,000,000**	**1,505,122**

(b) Other Equity

Reserves and Surplus	As at 31 March, 2024				As at 31 March, 2023			
	General reserve	Remeasurement Benefit	Retained Earnings	Total	General reserve	Remeasurement Benefit	Retained Earnings	Total
Opening balance	16,971,344	(2,271,551)	37,380,889	**52,080,683**	9,008,011	(664,105)	60,894,120	**69,238,027**
Loss for the year	-	-	(81,187,761)	**(81,187,761)**	-	(1,607,446)	(71,854,076)	**(73,461,522)**
Remeasurement of the defined Benefits	-	(2,418,532)	-	**(2,418,532)**	-	-	-	-
Employee Stock option reserve	9,898,450	-	-	**9,898,450**	4,812,740	-	-	**4,812,740**
Hyperinflation	6,106,490	-	55,526,622	**61,633,112**	3,150,593	-	48,340,845	**51,491,437**
Closing balance	**32,976,285**	**(4,690,083)**	**11,719,750**	**40,005,952**	**16,971,344**	**(2,271,551)**	**37,380,889**	**52,080,682**

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

As per our report of event date
Margin Serbest Muhasebeci Mali Müşavirlik Ltd.
Auditors

Place : Istanbul
Date : 13th May 2024

Margin SMMM Ltd.
Avcılar VD 612 111 2617
Üniversite Mah. Civan Sk. N:1
AllureTower 9/134 Avcılar İst

For and on Behalf of the Board of Directors

Murat Mentes
Director
Istanbul, 13th May 2024

TOPKİM TOPKAPI İLAÇ PREMİKS
SAN. ve TİC. A.Ş.
Çavuşoğlu Mh. Başkumandan Cd. No:28
Kartal / İSTANBUL
Yenikapı V.D.: 854 000 7944

1. CORPORATE INFORMATION

TOPKİM-TOPKAPI İLAÇ PREMİKS SAN. VE TİC. A.Ş. ('the Company') is a company duly organised and incorporated in accordance with the laws of Turkey and is engaged in the manufacturing and marketing of pharmaceuticals 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 Turkish Lira (TL), 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

The Company's lease asset classes primarily consist of leases for Office Premises. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

Margin SMMM Ltd.
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Üniversite Mah. Civan Sk. N:1
AllureTower 9/134 Avcılar İst

TOPKİM TOPKAPI İLAÇ PREMİKS
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Kartal İSTANBUL
Yenikapı V.D.: 854 000 7944

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

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).

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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
Freehold land	-
Factory building	10 - 50 years
Furniture and fixtures	3 - 5 years
Office equipments	3 - 15 years
Computers	4 - 5 years
Plant and machinery	5 - 50 years
Vehicles	4 - 5 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	3-10 years

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TOPKİM TOPKAPI İLAÇ PREMİKS
SAN. ve TİC. A.Ş.
Çavuşoğlu [illegible] No:[illegible]
Kartal / İSTANBUL
Yenikapı V.D.: 854 000 7944

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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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.

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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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3. Statement of Fixed assets for the year ended 31st March 2024

Particulars	As at 31 March, 2024	As at 31 March, 2023
Carrying Amount of:		
Building	84,655	83,155
Furniture and fixtures	351,096	66,564
Plant and machinery	3,530,042	2,700,124
Total A	**3,965,794**	**2,849,843**
Right of Use asset	110,093	88,945
Other Intangible assets	828,299	560,809
Total B	**4,904,187**	**3,499,597**

Cost or deemed cost	Tangible asset					Intangible asset	Total
	Building	Furniture and fixtures	Plant and machinery	ROU Lease Asset	Vehicles	Acquired software	
Balance as on 01 April, 2022	77,500	585,361	1,667,948	99,163	86,728	379,593	2,896,292
Additions:							
Assets acquired	-	82,692	1,926,159	-	-	444,523	2,453,374
Modifications during the year*	27,530	22,037	893,934	29,447	-	185,668	1,158,617
Balance as on 31 March, 2023	**105,030**	**690,090**	**4,488,041**	**128,610**	**86,728**	**1,009,784**	**6,508,283**
Balance as on 01 April, 2023	105,030	690,090	4,488,041	128,610	86,728	1,009,784	6,508,283
Additions:							
Assets acquired	-	219,201	461,453	-	-	-	680,654
Modifications during the year*	19,000	170,940	1,046,328	31,065	-	269,601	1,536,934
Deletions	-	-	-	-	25,743	-	25,743
Balance as on 31 March, 2024	**124,030**	**1,080,231**	**5,995,823**	**159,675**	**60,985**	**1,279,385**	**8,700,129**

Accumulated depreciation	Tangible asset					Intangible asset	Total
	Building	Furniture and fixtures	Plant and machinery	ROU Lease Asset	Vehicles	Acquired software	
Balance as on 01 April, 2022	4,375	566,399	1,302,194	29,749	86,728	352,589	2,342,034
Depreciation / amortisation expense for the year	17,500	57,127	485,723	9,916	-	96,386	666,652
Balance as on 31 March, 2023	**21,875**	**623,526**	**1,787,917**	**39,665**	**86,728**	**448,975**	**3,008,686**
Balance as on 01 April, 2023	21,875	623,526	1,787,917	39,665	86,728	448,975	3,008,686
Depreciation / amortisation expense for the year	17,500	105,609	677,863	9,916	-	2,110	812,999
Deletions	-	-	-	-	25,743	-	25,743
Balance as on 31 March, 2024	**39,375**	**729,135**	**2,465,780**	**49,581**	**60,985**	**451,086**	**3,795,942**

Carrying amount	Tangible asset					Intangible asset	Total
	Building	Furniture and fixtures	Plant and machinery	ROU Lease Asset	Vehicles	Acquired software	
Balance as on 01 April, 2022	73,125	18,961	365,754	69,414	-	27,004	554,258
Additions:							
Assets acquired	-	82,692	1,926,159	-	-	444,523	2,453,374
Modifications during the year*	27,530	22,037	893,934	29,447	-	185,668	1,158,617
Depreciation expense	17,500	57,127	485,723	9,916	-	96,386	666,652
Balance as on 31 March, 2023	**83,155**	**66,564**	**2,700,124**	**88,945**	**-**	**560,809**	**3,499,597**
Balance as on 01 April, 2023	83,155	66,564	2,700,124	88,945	-	560,809	3,499,597
Additions:							
Assets acquired	-	219,201	461,453	-	-	-	680,654
Modifications during the year*	19,000	170,940	1,046,328	31,065	-	269,601	1,536,934
Depreciation expense	17,500	105,609	677,863	9,916	-	2,110	812,999
Balance as on 31 March, 2024	**84,655**	**351,096**	**3,530,042**	**110,093**	**-**	**828,299**	**4,904,187**

*Hyper Inflation Impact

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Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
4	**Non current Other Financial assets**		
	Security Deposits	294,096	206,174
		294,096	**206,174**
5	**Deferred tax assets (net)**		
	Leases	13,058	12,795
	Hyperinflation	610,679	(2,585,474)
	Employee stock option expenses	811,412	1,259,608
	Retirement benefit obligations	637,542	665,225
	Others	9,080	9,080
	Losses	9,024,038	5,902,475
		11,105,809	**5,263,709**
6	**Other non-current assets**		
	Unsecured, considered good		
	Advance Income-Tax including tax deducted at source	675	590,975
		675	**590,975**
6	**Inventories**		
	Raw materials and packing materials	29,272,981	31,058,672
	Goods-in transit	3,227.08	5,906,219
		29,276,208	36,964,891
	Work-in-progress and intermediates	-	-
	Finished goods	6,634,628	10,794,562
		35,910,836	**47,759,453**
	During the year ended 31 March 2023 TRY 4.469.326 (31 March 2023 : TRY 269.301) was recognised as an expense towards provision for slow moving, expired and near expiry inventories		
7	**Trade receivables**		
	Unsecured, considered good	97,540,529	86,574,211
		97,540,529	**86,574,211**

March'24

Particulars	Not Due	Outstanding for following periods from due date of payment #					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	92,203,205	4,694,335	642,989	-	-	-	97,540,529

March'23

Particulars	Not Due	Outstanding for following periods from due date of payment #					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	81,877,596	4,696,615	-	-	-	-	86,574,211

Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
8	**Cash and cash equivalents**		
	Cash on hand	643	643
	Balances with banks		
	- In current account	2,760,519	4,711,745
	- In deposit accounts	276,240	-
		3,037,402	**4,712,388**
9	**Loans**		
	Unsecured, considered good		
	Advances to employees	109,403	48,833
	Loans & Advances to related parties	26,206,115	2,614,259
		26,315,518	**2,663,092**
10	**Other current assets**		
	Advance to suppliers	-	310,361
	Balances with government authorities	9,893,838	10,665,320
	Prepaid expenses	836,877	951,314
	Others	-	-
		10,730,715	**11,926,996**

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Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
11	**Share capital**		
(a)	**Authorised**		
	100,000,000 equity shares of TRL 0.01	1,000,000	1,000,000
(b)	**Issued, Subscribed and fully paid up**		
	100,000,000 equity shares of TRL 0.01	1,000,000	1,000,000
	Share Capital Impact of hyperinflation	1,535,928	505,122
		2,535,928	**1,505,122**

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	
Equity shares	**Nos of Shares**	**Amount**	**Nos of Shares**	**Amount**
Shares outstanding at the beginning of the year	100,000,000	1,000,000	100,000,000	1,000,000
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	100,000,000	1,000,000	100,000,000	1,000,000

(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	As at 31 March 2024		As at 31 March 2023	
	Nos of Shares	**% of Holding**	**Nos of Shares**	**% of Holding**
Provet Veteriner Urunleri San. ve Tic. A.Ş.	100,000,000	100%	100,000,000	100%

Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
12	**Other equity**		
(a)	**Retained Earnings**		
	Opening Balance	35,109,338	60,230,015
	Profit for the year	(81,187,761)	(71,854,076)
	Retained Earning hyperinflation impact	55,526,622	48,340,845
	Remeasurement Benefit	(2,418,532)	(1,607,446)
	Closing balance	**7,029,666**	**35,109,338**
(b)	**General reserves**		
	Opening Balance	6,237,293	6,237,293
	Add movement during the year (Impact of hyperinflation)	9,257,083	3,150,593
	Employe stock option reserve	17,481,910	7,583,458
	Closing balance	**32,976,286**	**16,971,344**
	Other equity	**40,005,952**	**52,080,682**
13	**Non-current financial liabilities**		
	Unsecured loan from bank	6,355,866	16,000,000
		6,355,866	**16,000,000**

Particulars	Security, Terms of repayment & Interest Rate	As at 31 March 2024	As at 31 March 2023
VakifBank	Govt. Subsidized loan repayable in 36 instalments. Secured on trade receivable. Repayable fully by February 2026 - Interest rate TL REF + 4.7653% per annum	6,355,866	16,000,000

Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
14	**Non current provisions**		
	Provision for employee benefits		
	Provision for gratuity (net)	1,211,526	1,391,232
	Provision for compensated absences	798,637	717,216
		2,010,163	**2,108,448**
15	**Current borrowing**		
	Unsecured Loan		
	From bank	3,361,668	4,965,381
	Unsecured Loan		
	From related parties	85,903,928	48,949,864
	Current maturities of long-term debt	6,894,117	-
		96,159,714	**53,915,245**

(Details of interest rates, Repayment terms & other terms are disclosed under note 13)

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Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
16	**Trade payable**		
	Trade payable	39,048,986	28,198,021
		39,048,986	28,198,021

March'24

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	36,352,979	530,261	1,306,958	790,060	68,728	39,048,986

March'23

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	25,502,629	529,646	1,306,958	858,788	-	28,198,021

Note No.	Particulars	As at 31 March 2024	As at 31 March 2023
17	**Other current financial liabilities**		
	Interest accrued and due on borrowings	386,992	-
		386,992	-
18	**Other Current Liabilities**		
	Statutory remittances	1,942,820	999,155
	Payables on purchase of fixed assets	-	296,800
	Other current liabilities	-	7,200
	Advances from customers	-	-
		1,942,820	1,303,156
19	**Current provisions**		
	Provision for gratuity (net)	905,394	1,005,913
	Provision for compensated absences	234,609	264,192
		1,140,003	1,270,105
20	**Current tax liabilities**		
	Provision for taxation (Net of Advance Tax : TRY NIL) (31 March 2023 : TRY 18,00,350)	157,750	6,711,360
		157,750	6,711,360

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Note No	Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
20	**Revenue from operations**		
	Gross Sales	313,810,367	222,473,210
	Less: Sales Return	3,143,494	9,439,218
	Less: Turnover Premium	15,301,293	369,372
		295,365,580	**212,664,620**
21	**Other Income**		
	Interest income	53,570	332,899
	Net gain on sale of investments	28	88,386
	Other non-operating income	-	5,652
	Monetary Gain on hyperinflation	(37,074,543)	(38,550,094)
	Miscellaneous Income	1,549,893	605,277
	Profit/Loss on Sales of Fixed Assets	237,624	-
		(35,233,428)	**(37,517,880)**
22	**Cost of materials consumed**		
	Opening stock	36,964,891	20,160,194
	Opening Stock Restatement on account of hyperinflation	-	5,535,747
	Add: Purchases	137,853,426	161,315,000
	Less: Closing stock	29,276,208	36,964,891
		145,542,110	**150,046,050**
23	**Changes in inventories of finished goods and work-in-progress & intermediates**		
	Opening stock		
	Work-in-progress and intermediates	-	1,226
	Finished goods	10,794,562	2,700,482
	Opening Stock Restatement on account of hyperinflation	-	664,092
		10,794,562	**3,365,800**
	Closing stock		
	Work-in-progress and intermediates	-	-
	Finished goods	6,634,628	10,794,562
		6,634,628	**10,794,562**
	Net (increase) / decrease	**4,159,934**	**(7,428,762)**
24	**Employee benefits expense (refer note 35)**		
	Salaries and wages	32,415,055	20,522,911
	Contribution to provident and other funds	3,681,540	2,674,278
	Employee Stock option expenses	2,792,391	2,267,716
	Gratuity	-	38,208
	Staff welfare expenses	2,498,011	1,499,430
		41,386,997	**27,002,544**
25	**Finance costs**		
	Lease Interest costs	24,136	26,011
	Other borrowing costs	12,597,414	4,359,952
		12,621,550	**4,385,963**
26	**Depreciation and amortisation expense**		
	Tangible assets	1,095,854	808,009
	Intangible assets	12,046	6,176
		1,107,900	**814,185**

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Note No	Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
27	**Other expenses**		
	Travel expenses	11,030,309	6,964,750
	Communication expenses	676,582	340,454
	Consumables	54,869	181,848
	Contract labour charges	45,213,525	49,069,268
	Legal and Professional charges	5,115,481	2,507,365
	Freight and forwarding	1,357,478	980,574
	Power and fuel	1,790,253	3,264,834
	Rent	124,270	48,816
	Analytical charges	301,094	527,780
	Repairs to others	677,905	1,150,419
	Insurance	941,515	471,568
	Advertisement and selling expenses	9,256,115	3,025,036
	Rates and taxes	1,933,126	(25,133)
	Net loss on foreign currency transactions and translation	63,065,938	8,334,880
	Other expenses	5,735,955	1,955,778
		147,274,415	**78,798,236**
28	**Tax expense (refer note 34)**		
	Deferred tax	(2,645,946)	(6,960,284)
	Deferred tax on account of hyperinflation	(3,196,153)	1,089,507
	Prior Period Taxes	(4,930,894)	(746,623)
		(10,772,993)	**(6,617,400)**

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29 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 TRY 33,000 (FY 2022-23 TRY 33,000)

Particulars	ROU- Building
Balance recognised as at 1st April, 2022	69,414
Depreciation Expenses	(9,916)
As at March 2023	**59,498**
Depreciation Expenses	9,916
As at March 2024	**69,414**

The following is the movement in lease liabilities during the year :

Particulars	1 April 2023 to 31 March, 2024	1 April 2022 to 31 March, 2023
Opening Balance	**104,456**	**111,445**
Accretion of interest	24,136	26,011
Payments	(33,000)	(33,000)
Closing Balance	**95,592**	**104,456**
Current	27,094	15,853
Non-current	68,498	88,603

The effective interest rate for lease liabilities is 24%, 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	9,916	9,916
Interest expense on lease liabilities	24,136	26,011
Deferred tax leases	(263)	(1,718)
Total amount recognised in profit or loss	**33,789**	**34,210**

Maturity Analysis of Lease (Refer Note 33.4)

Impact on the statement of cash flows increase / (decrease)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Payment of principal portion of lease liabilities	(8,864)	(6,989)
Payment of interest portion of lease liabilities	(24,136)	(26,011)
Net cash flows from financing activities	**(33,000)**	**(33,000)**

30 Earnings per share

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(Loss) for the year as per statement of profit and loss	(81,187,761)	(71,854,076)
(Loss) for the year attributable to the equity shareholders	(81,187,761)	(71,854,076)
Weighted average number of equity shares	100,000,000	100,000,000
(Loss) per share - Basic	(0.81)	(0.72)
(Loss) per share - Diluted	(0.81)	(0.72)

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31 Contingent liabilities and commitments

There are no contingent liability and commitments as at 31 March 2024 & 31st March 2023

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of

	Year Ended 31 March 2024	Year Ended 31 March 2023
Tangible Fixed assets	Nil	Nil

32 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 manufacturing and marketing of Vet Pharmaceutical products. Considering the nature of business and financial reporting of the Company, the Company has only one business segment viz; Vet formulation as primary reportable segment.

Secondary Segment Information (Geographical Segment)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operation		
Europe	14,391,548	3,156,588
Asia	243,491,683	209,508,032
Rest of the World	37,482,349	-
Total	**295,365,580**	**212,664,620**
Segment Assets		
Europe	6,075,293	354,957
Asia	119,704,917	154,914,835
Rest of the World	26,638,229	-
Total	**152,418,439**	**155,269,792**
Unallocable Asset	37,421,327	7,926,802
Total Asset	**189,839,766**	**163,196,594**
Cost incurred during the year to acquire segment assets (tangible and intangible fixed assets)		
Asia	680,654	2,453,374
Total	**680,654**	**2,453,374**

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33 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**
Measured at amortised cost		
Loans	26,315,518	2,663,092
Trade receivables	97,540,529	86,574,211
Cash and cash equivalents	3,037,402	4,712,388
Other financial assets	294,096	206,174
Total	**127,187,545**	**94,155,865**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long-term borrowings)	102,515,580	53,915,245
Trade payables	39,048,986	28,198,021
Lease Liability	95,592	104,456
Other financial liabilities	386,992	-
Total	**142,047,150**	**82,217,722**

33.1 Fair value hierarchy

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

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

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

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

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

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33.2 Financial risk management objective and policies

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

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

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

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

33.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts 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	642,989	-
Others	96,897,540	86,574,211
Total	**97,540,529**	**86,574,211**

Information about major Customer :-
The largest customer group have total exposure in sales TRY 56.6 Mn (19% of total sales) in current year and TRY 23.1 Mn (11% of total sales) in FY 2022-23. The receivables from these customers are TRY 50.37 Mn (52% of total receivable) in current year and TRY 25.35 Mn (29% 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.

33.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company 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)	94,354,861	8,160,719	-	102,515,580
Trade payables	39,048,986	-	-	39,048,986
Lease Liability	27,094	8,864	59,634	95,592

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)	57,497,799	6,061,579	6,355,867	69,915,245
Trade payables	28,198,021	-	-	28,198,021
Lease Liability	15,853	8,864	72,751	97,467

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33.5 Market risk

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

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

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the 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 financing activities & operating activity The Company manages its foreign currency risk of operating actitvity & Finance activities (excluding group exposure) by keeping net exposure positive.

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	(687,803)	(19,554)	(3,175,538)	(152,654)
USD	(22,153,496)	(681,526)	(55,705,866)	(2,909,530)
EURO	39,912	1,134.69	-	-
USD	1,976,266	60,797.50	-	-
Net exposure	(22,841,299)		(58,881,405)	

b) 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 TRY 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 TRY strengthens 10% against the relevant currency. For a 10% weakening of the TRY 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)	64,789	317,554
Currency of U.S.A (USD)	2,017,723	5,570,587
10% increase in foreign currency		
Currency of Europe (Euro)	(64,789)	(317,554)
Currency of U.S.A (USD)	(2,017,723)	(5,570,587)

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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c) **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	102,515,580	16,000,000
-Borrowings from related party	85,903,928	48,949,864
	188,419,508	**64,949,864**

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.

33.6 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)	102,515,580	69,915,245
Cash and bank balances (ii)	3,037,402	4,712,388
Net debt [(i) - { (ii) }]	**99,478,178**	**65,202,857**
Equity attributable to owners of the Company	42,541,880	53,585,804
Gearing ratio : Net debt / Equity.	**233.8%**	**121.7%**

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

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34 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	-	-
Total (I)	-	-
Deferred tax charge		
Origination and reversal of temporary differences	(5,842,099)	(5,870,777)
Total (II)	(5,842,099)	(5,870,777)
Provision for tax of earlier years (written back)/Provided (III)	(4,930,894)	(746,623)
Total (IV = I+II+III)	**(10,772,994)**	**(6,617,400)**

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
Loss before tax	**(91,960,754)**	**(78,471,476)**
Less: Hyperinflation adjustment on loss	58,699,745	
Loss before Hyperinflation adjustment	**(33,261,009)**	
Statutory income tax rate	25%	25%
Tax as per applicable tax rate	**(8,315,252)**	**(19,617,869)**
Permenant difference		
Taxes income on account of amnesty scheme	(4,930,894)	(746,623)
Reversal of deferred tax on losses on account of tax amnesty	4,412,798	
Differences due to:		
- Hyperinflation impact	(3,196,153)	1,089,507
- Tax on Expenses not deductiable	901,971	
- Others	354,538	12,657,585
Income tax expenses charged to the statement of profit and loss	**(10,772,993)**	**(6,617,400)**
Effective tax rate	**11.7%**	**8.4%**

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 (^)	12,795	263	13,058
- ESOP	1,259,609	(448,197)	811,412
- Other	665,225	(27,684)	637,542
- IndAS 29	(2,585,474)	3,196,153	610,679
- Retirement benefit	9,080	-	9,080
Tax assets / (liabilities)	**(638,765)**	**2,720,536**	**2,081,771**
- Unabsorbed depreciation and carried forward of losses	5,902,475	3,121,564	9,024,038
Net tax assets / (liabilities)	**5,263,710**	**5,842,099**	**11,105,809**
- MAT credit entitlement	-	-	-
Total	**5,263,710**	**5,842,099**	**11,105,809**

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 (^)	12,063	732	12,795
- ESOP	692,680	566,929	1,259,609
- Other	184,156	6,392,623	6,576,780
- IndAS 29		(2,585,474)	(2,585,474)
Tax assets / (liabilities)	**888,899**	**4,374,810**	**5,263,710**
- Unabsorbed depreciation and carried forward of losses	-		-
Net tax assets / (liabilities)	**888,899**	**4,374,810**	**5,263,710**
- MAT credit entitlement	-	-	-
Total	**888,899**	**4,374,810**	**5,263,710**

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

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35 Employee benefit plans

(i) Defined contribution plans:

Company makes Social Security scheme contributions which are defined contribution plans, for all employees. Under the scheme, the company is required to contribute a specified percentage payroll costs to fund the benefits. The Company has recognised TL 3,681,540 (31 March 2023 : TL 2,674,278) for social security scheme contributions.

(ii) Defined benefit plans:

Company has termination benefits for its employees. Termination benefits are payable to all eligible employees of the Company on superannuation, death and resignation. The following table summarises the components of net employee benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

	31 March 2024 Termination benefits	31 March 2023 Termination benefits
Expense/ (income) recognised in the statement of profit and loss:		
Current service cost	759,415	339,034
Net interest cost	206,467	227,129
Expected return on plan assets	-	-
Component of defined benefit costs recognised in the statement of profit and loss	**965,882**	**566,163**
Expense / (income) recognised in other comprehensive income:		
Return on plan assets (excluding amounts included in net interest cost)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	(299,560)
Actuarial (gains) / losses arising from changes in financial assumptions	(988,102)	841,000
Actuarial (gains) / losses arising from changes in experience adjustments	3,406,634	1,066,006
Component of defined benefit costs recognised in the other comprehensive income	**2,418,532**	**1,607,446**
Total	**3,384,414**	**2,173,609**

The current service cost is included in 'Employee benefit expenses' and net interest cost is included in the 'Finance costs' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Net defined benefit obligation as reflected in balance sheet:

	31 March 2024 Termination benefits	31 March 2023 Termination benefits
Present value of defined benefit obligation (DBO)	2,116,922	2,397,146
Fair value of plan assets	-	-
Funded status [surplus / (deficit)]	(2,116,922)	(2,397,146)
Net liability recognised in balance sheet	**2,116,922**	**2,397,146**

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

	31 March 2024 Termination benefits	31 March 2023 Termination benefits
Opening balance	2,397,146	1,219,826
Current service cost	759,415	339,034
Interest cost	206,467	227,129
Liability transferred out / divestment		
Liability transferred in / acquisitions		
Benefits paid	(3,664,638)	(996,289)
Re-measurement loss/ (gain):		
Actuarial loss/ (gain) arising from:		
Actuarial (Gain) / Loss - Demographic Assumptions	-	(299,560)
Actuarial (gains) / losses arising from changes in financial assumptions	(988,102)	841,000
Actuarial (gains) / losses arising from changes in experience adjustments	3,406,634	1,066,006
Exchange gain or loss		
Closing defined benefit obligation	**2,116,922**	**2,397,146**

Margin SMMM Ltd.
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Üniversite Mah. Civan Sk. N:1
AllureTower 9/134 Avcılar İst

TOPKİM TOPKAPI İLAÇ PREMİKS
SAN. ve TİC. A.Ş.
Çavuşoğlu Mh. Başkumandan Cd. No:28
Kartal İSTANBUL
Yenikapı V.D.: 854 000 7944

All amounts are in Turkish Lira unless otherwise stated

Actuarial assumptions

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

	31 March 2024 Termination benefits	31 March 2023 Termination benefits
Financial assumption:		
Discount rate	29.26%	10.90%
Salary escalation rate	50% first year,30% thereafter	34% first year,10% thereafter
Demographic assumption:		
Withdrawal rate	20%	20%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement age	58-60	58-60

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

	31 March 2024 Termination benefits	31 March 2023 Termination benefits
Expected future cash flows		
Within 1 year	905,394	1,005,913
2-5 years	2,184,902	1,369,878
6-10 years	978,354	645,655

Sensitivity Analysis

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

	Impact on the defined benefit obligation Termination benefits	
	100 bps increase	100 bps decrease
31 March 2024		
Discounting rate	(1.60)	1.66
Salary escalation rate	0.00	0.00
31 March 2023		
Discounting rate	(2.25)	(2.39)
Salary escalation rate	0.25	0.29

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Note 36 Related Party Disclosures

Holding company:
Provet Veteriner Ürünleri San. ve Tic. A.Ş.
Alivira Animal Health Limited, Ireland ((Holding company of Provet Veteriner Ürünleri San. ve Tic. A.Ş.)
Alivira Animal Health Limited, India (Holding company of Alivira Animal Health Limited, Ireland)
Sequent Scientific Limited, India (Ultimate Holding Company)

Key Management Personnel
Murat Mentes
Alexis Goux

Fellow Subsidiaries
Laboratorios Karizoo SA, Spain
Bremer Pharma GmbH, Germany

A. Transaction during the year

	Year Ended 31.03.2024	Year Ended 31.03.2023
(i) Purchase of materials/services		
Alivira Animal Health Ltd, India	-	277,617
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	54,508,170	61,166,119
Laboratorios Karizoo SA	206,994	280,210
(ii) Sale of materials/services		
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	39,999,925	45,370,991
(iii) Interest on Loan		
Alivira Animal Health Limited, Ireland	2,839,021	1,058,986
(iv) Expenses from Car rent cross charge		
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	4,575,000	2,700,000
(v) Conversion charges cross charge		
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	33,500,000	39,800,000
(vi) Expenses from Logistic Service		
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	742,898	553,602
(vii) Managerial remuneration		
Murat Mentes	5,647,495	3,441,098
(viii) Cross charges of Fuel Expenses		
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	670,376	487,592

B. Balance as at balance sheet date:

	As at 31.03.2024	As at 31.03.2023
i) Loan/Advance receivable		
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	26,206,115	2,614,259
ii) Borrowing		
Provet Veteriner Ürünleri San. ve Tic. A.Ş.	85,905,564	-
iii) Creditors balance		
Alivira Animal Health Ltd, India	-	282,404
Alivira Animal Health Ltd, Ireland	-	48,949,864

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

As per our report of event date
Margin Serbest Muhasebeci Mali Müşavirlik Ltd.

Place : Istanbul
Date : 13 May 2024

Margin SMMM Ltd.
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For and on Behalf of the Board of Directors

Murat Mentes
Director
Istanbul, 13th May 2024

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