

ALIVIRA ITALIA S.R.L.  
BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Note No.	As at 31st Mar 2021 (Amount in Euro)	As at 31st Mar 2020 (Amount in Euro)
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	4,760	2,127
(b) Intangible assets	3	4,468	5,089
<b>Total Non-current assets</b>		<b>9,229</b>	<b>7,216</b>
<b>2 Current assets</b>			
(a) Inventories	4	193,281	54,161
(a) Financial Assets			
(i) Trade receivables	5	219,010	88,380
(ii) Cash and cash equivalents	6	10,417	2,043
<b>Total Current assets</b>		<b>422,708</b>	<b>144,584</b>
<b>TOTAL ASSETS</b>		<b>431,936</b>	<b>151,801</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	7	100,000	100,000
(b) Other Equity	8	(194,653)	(123,208)
<b>Total Equity</b>		<b>(94,653)</b>	<b>(23,208)</b>
<b>2 Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	9	91,771	65,000
<b>Total Non-Current Liabilities</b>		<b>91,771</b>	<b>65,000</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	10	427,124	121,855
(b) Other current liabilities	11	7,694	(11,846)
<b>Total Current liabilities</b>		<b>434,818</b>	<b>110,009</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>431,936</b>	<b>151,801</b>

The accompanying notes are integral part of these financial statements.

For Alivira Italia S.R.L.

**Alivira Italia S.r.l.**

Via Giorgio Rizzì, 12

44123 FERRARA

C. Fisc./P.IVA/R.I. 02039550385

Ramon Vila Vina

Director

Place: Ferrara, Italy

Date: MAY 27, 2021

ALIVIRA ITALIA S.R.L.  
PROFIT AND LOSS FOR THE YEAR ENDED AS ON 31 MARCH 2021

	Particulars	Note No	Year ended March 2021 (Amount in Euro)	Year ended March 2020 (Amount in Euro)
(I)	Revenue From Operations	12	422,067	158,562
(II)	Other Income	13	2,002	4
(III)	<b>Total Income (I+ II)</b>		<b>424,069</b>	<b>158,566</b>
(IV)	EXPENSES			
	Cost of materials consumed	14	-	-
	Purchases of stock-in-trade	15	444,445	163,374
	Changes in inventories of finished goods and work-in-progress & intermediates	16	(139,120)	(54,161)
	Employee benefits expense	17	828	-
	Finance costs	18	2,293	748
	Depreciation and amortization expense	19	2,402	901
	Other expenses	20	184,665	170,912
	<b>Total expenses (IV)</b>		<b>495,514</b>	<b>281,774</b>
(V)	Profit before tax (III-IV)		<b>(71,445)</b>	<b>(123,208)</b>
(VI)	Tax expense: (1) Current tax	21	-	-
(VII)	Profit (Loss) for the period (V-VI)		<b>(71,445)</b>	<b>(123,208)</b>
(VIII)	Earnings per equity share:	22		
	(1) Basic		(0.71)	(1.23)
	(2) Diluted		(0.71)	(1.23)

For Alivira Italia S.R.L.

**Alivira Italia S.r.l.**  
Via Giorgio Rizzi, 12  
44123 FERRARA  
C. Fisc./P.IVA/R.I. 02039550385

Ramon Vila Vina  
Director

Place: Ferrara, Italy

Date: **MAY 27, 2021**

Alivira Italia S.R.L

Cash Flow Statement for the period ended As at 31 March 2021

Particulars		
	As at 31 March 2021	As at 31 March 2020
<b>A Cash flows from operating activities:</b>		
Profit before tax	(71,445)	(123,208)
Adjustments for:		
Depreciation, Impairment and Amortisation	2,402	901
Interest expenses	2,293	748
Total	4,695	1,649
Operating profit before working capital changes	(66,750)	(121,559)
Adjustments for:	-	-
Change in trade receivables	(130,630)	(88,380)
Change in inventories	(139,120)	(54,161)
Change in trade payables	305,269	121,855
Change in other current liabilities	19,541	(11,846)
Total	55,060	(32,532)
Cash generated from / (used in) operations	(11,690)	(154,091)
<b>Net cash from operating activities</b>	<b>(11,690)</b>	<b>(154,091)</b>
<b>B Cash flows from investing activities:</b>		
Purchase of property, plant and equipments	(4,414)	(8,117)
Share capital infusion	-	75,000
<b>Net cash used in investing activities</b>	<b>(4,414)</b>	<b>66,883</b>
<b>C Cash flows from financing activities:</b>		
Proceeds from Long Term Borrowings	26,771	65,000
Interest paid	(2,293)	(748)
<b>Net cash used in financing activities</b>	<b>24,478</b>	<b>64,252</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,374</b>	<b>(22,957)</b>
Cash and cash equivalents at the beginning of the year	2,043	25,000
Cash and cash equivalents at the end of the year	10,417	2,043

Reconciliation of cash and cash equivalents with the Balance sheet

Cash on Hand	940	-
Balance with banks	9,477	25,000
Cash and Cash equivalents as per balance sheet (Refer note 8)	10,417	25,000

For Alivira Italia S.R.L

**Alivira Italia S.r.l.**

Via Giorglo Rizzi, 12

44123 FERRARA

C. Fisc./P.IVA/R.I. 02039550365

Ramon Vila Vina

Director

Place: Ferrara, Italy

Date: **MAY 27, 2021**

Alivira Italia S.R.L.

Statement of Changes in Equity (SOCIE) for the year ended 31 March 2021

Amounts in Euros (€) unless otherwise stated

(a) Equity share capital

	As at		As at	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting year	100,000	100,000	100,000	100,000
Balance at the end of the reporting year	100,000	100,000	100,000	100,000

(b) Other Equity

Particulars	Reserves and Surplus			Total
	General reserve	Securities Premium	Retained Earnings	
Balance at 01 April 2019	-	-	(123,208)	(123,208)
Profit for the year	-	-	(123,208)	(123,208)
Balance at 31 March 2020	-	-	(71,445)	(71,445)
Profit for the year	-	-	(194,653)	(194,653)
Balance at 31 March 2021	-	-	(194,653)	(194,653)

The accompanying notes are an integral part of the financial statements.  
For Alivira Italia S.R.L

**Alivira Italia S.r.l.**

Via Giorgio Rizzzi, 12

44123 FERRARA

Ramondelli, IV/V/R.L. 02039550385

Director

Place: Ferrara, Italy

Date: **MAY 27, 2021**

**Note****1 Legal status and principal activities**

Alivira Italia S.R.L is a limited liability company having its registered office in Ferrara, Italy. The company is mainly into production and distribution of pharmaceutical, nutraceuticals additives for feed, chemical and disinfectant products both Finished product and active ingredient for use of Veterinary.

**2 Significant accounting policies****2.1 Basis of accounting and preparation of financial statements**

Alivira Italia S.R.L's annual financial statement as of March 31st, 2020 was drawn up pursuant to The financial statements have been prepared in accordance with The Italian Civil Code and consist of the balance sheet (prepared in the format required by Articles 2424 and 2424 bis of the Italian Civil Code), the income statement (prepared in the format required by Articles 2425 and 2425 bis of the Italian Civil Code) and these notes. The notes contain the information required by Article 2427 of the Italian Civil Code, by other provisions of Legislative Decree no 127/91 and other legal provisions.

**2.2 Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprise its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than the subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets to the date the asset is ready for its intended use. Exchange differences arising on restatement/ settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

**2.3 Depreciation**

Depreciation is provided under the straight-line method based on the useful lives:

Nature of Asset	Useful life in periods (range)
Computers	5 Years
Marketing Authorisations	5 Years

**2.4 Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial period even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten periods from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

**2.4 Inventory**

Inventories comprises of finished goods. These are valued at the lower of cost and net realizable value. Cost is determined on First in First out basis for finished goods - 'At material cost, conversion costs and an appropriate share of production overheads.

## 2.5 Revenue recognition

Revenue from export sales is recognized on the basis of the shipping bills for exports. Revenue from domestic sales is recognized based on the passage of title of goods which generally coincides with dispatch. Sales are stated net of discounts, other taxes, and sales returns.

Dividend income is recognised when the right to receive the same is established.

Interest income is recognised on an accrual basis.

## 2.6 Employee benefits

Short term employee benefits are accrued based on the terms of employment when services are rendered by the employees and charged as an expense to the statement of profit and loss.

Leave balances standing to the credit of the employees that are expected to be availed in the short term are provided for on full cost basis.

## 2.7 Foreign currency transactions

### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### Measurement at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the period-end rates. Non monetary items of the Company are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the period.

### Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

## 2.8 Taxes on income

Income Tax comprises the current tax provision. Current tax is the amount of tax payable on the taxable income for the period.

## 2.9 Earnings per share (EPS)

In determining the Earnings per share, the Company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the period. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the 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.

## 2.10 Provisions and contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized but are disclosed in the notes to financial statements.

## 2.11 Use of estimates

The preparation of the financial statements in conformity with the Accounting Standards generally accepted in India requires that the Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Management believes that the estimates used in preparation of financial statement are prudent and reasonable. Actual results could differ from those estimates and the estimates are recognised in the period in which the results are known/materialise.

## 2.12 Segment

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

## 2.13 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

## 2.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

## 2.14 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities are segregated based on the available information.

## 2.14 Cash and cash equivalents (for purposes of cash flow statement)

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.

## 2.15 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.

## 2.16 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**ALIVIRA ITALIA S.R.L.**

**Notes forming part of the financial statements for the year ended 31 March 2021**

All amounts are in Euros

**Note 3: Property, plant and equipment & Intangible assets**

Particulars	As at 31 March, 2021	As at 31 March, 2020
<b>Carrying Amount of:</b>		
Office Equipments	4,760	2,127
Patent Rights	4,468	5,089
<b>Total</b>	<b>9,229</b>	<b>7,216</b>

Particulars	Office Equipments	Patent Rights
<b>Cost or deemed cost</b>		
Balance as on 01 April, 2019	-	-
Assets acquired	2,659	5,458
<b>Balance as on 01 April, 2020</b>	<b>2,659</b>	<b>5,458</b>
Assets acquired	3,813	601
<b>Balance as on 31 March, 2021</b>	<b>6,473</b>	<b>6,059</b>

Particulars	Office Equipments	Patent Rights
<b>Accumulated depreciation and impairment</b>		
Balance as on 01 April, 2019	-	-
Depreciation / amortisation expense for the year	532	369
<b>Balance as on 01 April, 2020</b>	<b>532</b>	<b>369</b>
Depreciation / amortisation expense for the year	1,180	1,222
<b>Balance as on 31 March, 2021</b>	<b>1,712</b>	<b>1,591</b>

Particulars	Office Equipments	Patent Rights
<b>Carrying amount</b>		
Balance as on 01 April, 2020	2,127	5,089
Balance as on 31 March, 2021	4,760	4,468



Note 4	Inventories	As at	As at
		31 March 2021	31 March 2020
	Stock-in-trade	193,281	54,161
	<b>Total</b>	<b>193,281</b>	<b>54,161</b>
	<b>Note:</b>		
	During the year ended 31 March 2021, EUR NIL (31 March 2020 : NIL) was recognised as an expense towards provision for slow moving, expired and near expiry inventories.		

Note no	Particulars	As at	As at
		31st Mar 2021 (Amount in Euro)	31st Mar 2020 (Amount in Euro)
	<b>Financial Assets</b>		
5	<b>Trade receivables</b>		
	(a) Unsecured, considered good	219,010	88,380
		219,010	88,380
	Less: Provision for doubtful debts	-	-
		<b>219,010</b>	<b>88,380</b>
6	<b>Cash and cash equivalents</b>		
	Cash on hand	940	737
	Balances with banks	-	-
	- In current accounts	9,477	1,306
		<b>10,417</b>	<b>2,043</b>

ALIVIRA ITALIA S.R.L.  
Notes to the financial statements for the period ended 31 Mar 2021  
All amounts are in EUR unless otherwise stated

Note 7 Share capital

	As at 31 March 2021	As at 31 March 2020
	No. of Shares	No. of Shares
	Rs.	Rs.
(a) Authorised 100000 Shares of 1 EUR each.	100,000	100,000
	100,000	100,000
(b) Issued, subscribed and fully paid-up 100000 Shares of 1 EUR each.	100,000	100,000
Total	<u>100,000.00</u>	<u>100,000.00</u>

Notes:

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

	No. of Shares	Share capital
Fully paid equity shares		
Balance as on 1 April 2019	100,000	100,000.00
Balance as on 31 March 2020	100,000	100,000.00
Share issued during the year	-	-
Balance as on 31 March 2021	<u>100,000</u>	<u>100,000.00</u>

(ii) Details of shares held by holding company

As at 31 March 2021			
Name of the shareholder	No. of shares held	% of holding	% of holding
Alivira Animal Health Limited, Ireland	95,000	95%	95%
Renzo Rimondi	3,750	4%	4%
Ramon Vila Vina	1,250	1%	1%

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

As at 31 March 2021			
Name of the shareholder	No. of shares held	% of holding	% of holding
Alivira Animal Health Limited, Ireland	95,000	95%	95%

(v) Aggregate number of shares allotted as fully paid pursuant to contract without payment of cash for a period of 5 years immediately preceding the balance sheet date:

Equity shares	As at 31 March 2021	As at 31 March 2020
	NIL	NIL

ALIVIRA ITALIA S.R.L.

Notes to accounts

Note no	Particulars	As at 31st Mar 2021 (Amount in Euro)	As at 31st Mar 2020 (Amount in Euro)
8	<b>a) Retained Earnings</b>		
	Opening Balance	(123,208)	-
	Add: Profit / (Loss) for the year	(71,445)	(123,208)
		<u>(194,653)</u>	<u>(123,208)</u>
9	<b>Non-current liabilities - Financial Liabilities - Long term borrowings</b>		
	<b>From other parties</b>		
	Unsecured	91,771	65,000
		<u>91,771</u>	<u>65,000</u>
10	<b>Trade payable</b>		
	Trade payable	416,623	120,573
	Employee Payables	10,500	1,282
		<u>427,124</u>	<u>121,855</u>
11	<b>Other Current Liabilities</b>		
	Other Current Liabilities	7,694	(11,846)
		<u>7,694</u>	<u>(11,846)</u>

## ALIVIRA ITALIA S.R.L.

## Notes to accounts

Note no	Particulars	Year ended March 2021 (Amount in Euro)	Year ended March 2020 (Amount in Euro)
<b>12</b>	<b>Revenue from operations</b>		
	a) Sale of products	458,497	167,301
	b) Commission on sales	(36,431)	(8,739)
		<u>422,067</u>	<u>158,562</u>
	Gross Sales	458,497	167,301
	Sales return & commission	(36,431)	(8,739)
	Total sale of products	422,067	158,562
<b>13</b>	<b>Other Income</b>		
	Other Non-operating Income	2,002	4
		<u>2,002</u>	<u>4</u>
<b>14</b>	<b>Cost of materials consumed</b>		
	Opening stock	-	-
	Add: Purchases	-	-
	Less: Closing stock	-	-
		<u>-</u>	<u>-</u>
<b>15</b>	<b>Purchases of stock-in-trade</b>		
	Purchases of stock-in-trade	444,445	163,374
		<u>444,445</u>	<u>163,374</u>
<b>16</b>	<b>Changes in inventories of finished goods and work-in-progress &amp; intermediates</b>		
	Opening stock	54,161	-
		<u>54,161</u>	<u>-</u>
	Closing stock		
	Finished goods	193,281	54,161
		<u>193,281</u>	<u>54,161</u>
	Net (increase) / decrease	<u>(139,120)</u>	<u>(54,161)</u>
<b>17</b>	<b>Employee benefits expense</b>		
	Salaries and wages	828	-
		<u>828</u>	<u>-</u>
<b>18</b>	<b>Finance costs</b>		
	Interest expense (Borrowing Int on Loan from Group Co)	1,602	354
	Other borrowing costs	692	394
		<u>2,293</u>	<u>748</u>
<b>19</b>	<b>Depreciation and amortization expense</b>		
	Tangible assets	1,180	532
	Intangible assets	1,222	369
		<u>2,402</u>	<u>901</u>
<b>20</b>	<b>Other expenses</b>		
	Travel expenses	26,878	8,214
	Communication expenses	366	300
	Admin Expenses	21,920	14,364
	Legal and Professional charges	129,350	134,531
	Advertisement and selling expenses	2,955	3,837
	Other expenses	3,196	9,666
		<u>184,665</u>	<u>170,912</u>
<b>21</b>	<b>Tax expense</b>		
	Current tax	-	-
	Deferred tax	-	-
		<u>-</u>	<u>-</u>

**ALIVIRA ITALIA S.R.L.****Notes to the financial statements for the year ended 31 March 2021****Amounts in Euros (€) unless otherwise stated****22 Earnings per share**

<b>Particulars</b>	<b>Year ended 31 March 2021</b>	<b>Year ended 31 March 2020</b>
Net profit / (loss) for the year as per statement of profit and loss	(71,445)	(123,208)
Weighted average number of equity shares	100,000	100,000
Earnings / (Loss) per share - Basic	(0.71)	(1.23)
Earnings / (Loss) per share - Diluted	(0.71)	(1.23)

**23 Contingent liabilities and commitments**

There are no contingent liability and commitments as at 31 March 2021. (31 March 2020 - Nil)

## 24 Segment Reporting

### A. Primary segment (Business segment)

The Company is mainly engaged in the business of pharmaceuticals. Considering the nature of business and financial reporting of The Company, The Company has only one business segment viz; pharmaceuticals as primary reportable segment.

### B. Secondary segment (Geographical segment)

The Company operates in three principal geographic location.

- (i) Europe
- (ii) Asia
- (iii) Rest of the world

	Year ended 31 March 2021	Year ended 31 March 2020
<b>I Revenue from operations</b>		
Europe	422,067	158,562
<b>Total</b>	<b>422,067</b>	<b>158,562</b>
<b>II Total assets</b>		
Europe	431,936	151,801
<b>Total segment assets</b>	<b>431,936</b>	<b>151,801</b>
<b>Total</b>	<b>431,936</b>	<b>151,801</b>

**Financial instruments**

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

	Carrying value and fair value	
	31 March 2021	31 March 2020
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Loans	-	-
Trade receivables	219,010.23	88,380.12
Cash and cash equivalents	10,416.69	2,043.09
<b>Total</b>	<b>229,426.92</b>	<b>90,423.21</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Borrowings (including current maturity of long-term borrowings)	91,771.36	65,000.00
Trade payables	427,123.77	121,855.03
<b>Total</b>	<b>518,895.13</b>	<b>186,855.03</b>

### 25.1 Financial risk management objective and policies

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

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

Outstanding for more than 6 months	-	-
Others	219,010	88,380
<b>Total</b>	<b>219,010.23</b>	<b>88,380.12</b>

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

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

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



### 25.3

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020:

Particulars	As at 31 March 2021		
	Less than 1 year	1-2 years	2 years and above
Borrowings (including current maturity of long-term borrowings and judicial recovery)	-	-	91,771.36
Trade payables	427,123.77	-	427,123.77
<b>Particulars</b>	<b>As at 31 March 2020</b>		
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2 years and above</b>
Borrowings (including current maturity of long-term borrowings and judicial recovery)	-	-	65,000.00
Trade payables	121,855.03	-	-

## 25.4

### Capital management

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

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

In order to achieve this overall objective, The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. As at 31 March 2021, 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 2021	31 March 2020
Debt (i)	91,771.36	65,000.00
Cash and bank balances (ii)	10,416.69	2,043.09
<b>Net debt [ (i) - { (ii)+(iii)+(iv) } ]</b>	<b>81,354.67</b>	<b>62,956.91</b>
<b>Equity attributable to owners of the Company</b>	<b>(94,653.20)</b>	<b>(23,208.19)</b>
<b>Gearing ratio</b>	<b>0.00%</b>	<b>0.00%</b>

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

(ii) Other bank balance exclude the bank balance towards unpaid dividend.

(iii) Gearing ratio : Net debt / Equity.

**ALIVIRA ITALIA S.R.L.**

Notes to the financial statements for the year ended 31 March, 2021  
Amounts in Euros (€) unless otherwise stated

**26 Related Party Disclosures:****A List of related parties:****i) Holding company:**

Alivira Animal Health Limited, Ireland  
Alivira Animal Health Limited, India (Holding company of Alivira Animal Health Limited, Ireland)  
Sequent Scientific Limited, India (Ultimate Holding Company)

**ii) Fellow subsidiary:**

Laboratorios Karizoo S.A  
Phytotherapeutic solutions S.L.

**A. Transaction during the period**

Nature of Transactions	Holding Company		Fellow Subsidiary	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
<b>(i) Purchases</b> Laboratorios Karizoo S.A			191,317	23,265
<b>(ii) Professional/ Support Charges</b> Alivira Animal Health Limited, Ireland	109,063	-		
<b>(iii) Loan Taken during the year</b> Alivira Animal Health Limited, Ireland	25,000	65,000		
<b>(iv) Interest Paid</b> Alivira Animal Health Limited, Ireland	1,602	354		

B. Balance as at balance sheet date:

Nature of Transactions	Holding Company		Fellow Subsidiary	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
(i) Receivable Balance Phytotherapeutic Solutions S.L.			6,918	-
(ii) Payable balance Alivira Animal Health Limited, Ireland Laboratorios Karizoo S.A	109,063	-	154,917	19,487
(ii) Loan Outstanding Alivira Animal Health Limited, Ireland	91,771	65,000		

For Alivira Italia S.R.L

**Alivira Italia S.r.l.**

Via Giorgio Rizzi, 12

44123 FERRARA

Ramon Vila  **Dir.** Fisc./P.IVA/R.I. 02039550365

Director

Place: Ferrara, Italy

Date: **MAY 27, 2021**