

ALIVIRA SAUDE ANIMAL LTDA.
Balance Sheet as at 31 March, 2025
All amounts are in BRL

Particulars	Note No.	As at	As at
		31 March 2025	31 March 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	34,84,093	34,27,636
(b) Other Intangible assets	4	79,15,176	13,75,000
(c) Financial Assets			
(i) Loans	5	2,48,061	1,79,062
(ii) Other financial asset	6	2,49,720	2,98,955
(d) Deferred tax assets (net)	7	90,88,152	64,24,883
(e) Other non-current assets	8	3,20,721	-
		2,13,05,922	1,17,05,537
Current assets			
(a) Inventories	9	2,63,69,397	1,86,66,329
(b) Financial Assets			
(i) Trade receivables	10	2,26,92,729	1,56,04,211
(ii) Cash and cash equivalents	11	2,65,770	2,78,777
(iii) Loans	12	56,156	53,930
(iv) Other financial assets	13	1,12,107	2,20,649
(c) Other current assets	14	34,62,500	41,57,428
		5,29,58,659	3,89,81,323
TOTAL ASSETS		7,42,64,583	5,06,86,861
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,30,20,200	1,30,20,200
(b) Other Equity	16	(1,80,22,708)	(2,40,31,408)
(i) Retained Earnings		1,96,07,958	2,01,79,832
(ii) Other Reserves		(3,76,30,666)	(4,42,11,241)
		(50,02,508)	(1,10,11,208)
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	17	-	33,32,048
(ii) Lease liabilities	35	9,92,063	12,30,686
(iii) Other financial liabilities	18	3,02,262	3,34,614
		12,94,325	48,97,348
Current liabilities			
(a) Financial liabilities			
(i) Borrowing	19	3,11,94,618	3,39,02,947
(ii) Trade payables	20	3,33,50,928	1,96,90,237
(iii) Lease liabilities	35	2,38,623	2,03,556
(iv) Other financial liabilities	21	4,45,827	1,971
(b) Other current liabilities	22	1,19,06,419	22,30,789
(c) Provisions	23	7,92,801	7,71,220
(d) Current tax liabilities (Net)	24	43,550	-
		7,79,72,766	5,68,00,721
TOTAL EQUITY AND LIABILITIES		7,42,64,583	5,06,86,861

See accompanying notes to the financial statements

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

FOR AND ON BEHALF OF THE COMPANY

	
Claudinei de Castro Vieira	Marcelo Ziani
Director & CEO	Director
Campinas	Campinas
Date: 13th May 2025	Date: 13th May 2025

ALIVIRA SAUDE ANIMAL LTDA.
Statement of profit and loss for the year ended 31st March, 2025
All amounts are in BRL.

Particulars	Note No	Year Ended 31st March 2025	Year Ended 31st March 2024
INCOME			
Revenue From Operations	25	10,58,48,292	10,04,56,396
Other Income	26	65,121	5,45,399
Total income		10,59,13,413	10,10,01,795
EXPENSES			
Cost of materials consumed	27	6,82,88,957	7,14,31,456
Purchases of stock-in-trade	28	1,24,48,700	34,72,331
Changes in inventories of finished goods and work-in-progress & intermediates	29	(45,26,108)	(19,23,223)
Employee benefits expense	30	1,07,11,334	1,08,08,658
Finance costs	31	29,17,354	32,75,770
Depreciation and amortization expense	32	7,95,013	7,70,477
Other expenses	33	1,79,89,568	1,15,14,439
Total expenses		10,86,24,818	9,93,49,907
Profit before tax		(27,11,405)	16,51,888
Tax expense:	34	(21,39,531)	(17,80,595)
(i) Current tax		5,23,737	-
(ii) Deferred tax		(26,63,268)	(17,80,595)
Profit for the year		(5,71,874)	34,32,483
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		(5,71,874)	34,32,483
Earnings per equity share:	36		
(1) Basic		(0.04)	0.26
(2) Diluted		(0.04)	0.26

See accompanying notes to the financial statements

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FOR AND ON BEHALF OF THE COMPANY




Claudinei de Castro Vieira **Marcelo Ziani**
Director & CEO **Director**
 Campinas Campinas
 Date: 13th May 2025 Date: 13th May 2025

ALIVIRA SAUDE ANIMAL LTDA.
Statement of cash flows for the year ended 31 March, 2025
All amounts are in BRL.

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
<u>Cash flow from Operating Activities</u>		
Profit before tax	(27,11,405)	16,51,888
Adjustments for:		
Add: Finance Cost	29,17,354	32,75,770
Add: Depreciation and amortisation expense	7,95,013	7,70,477
Add: ESOP charge	(2,09,601)	3,58,547
Add: Unrealized exchange loss / (gain)	23,22,661	(4,63,149)
Operating profit before working capital changes	31,14,022	55,93,533
<u>Change in working Capital</u>		
(Increase) / decrease in inventories	(77,03,068)	(12,21,997)
(Increase) / decrease in trade receivables, loans and advances and other assets	32,40,353	69,17,236
Increase / (decrease) in trade payables, other payables and provisions	1,55,21,577	(40,30,597)
Net change in working capital	1,10,58,863	16,64,641
Cash generated from operations	1,41,72,885	72,58,174
Direct taxes (paid) / refund	(4,80,188)	(95,313)
Net cash generated from operating activities	A	1,36,92,697
<u>Cash Flow from Investing activities</u>		
Purchase of Property, plant & equipment	(6,01,666)	(9,34,648)
Net cash used in investing activities	B	(6,01,666)
<u>Cash flow from Financing activities</u>		
Borrowings	(99,83,127)	(32,52,349)
Finance costs paid	(29,17,354)	(34,11,100)
Payment of principal portion of lease liability	(2,03,556)	(1,73,643)
Net cash used in investing activities	C	(1,31,04,038)
Net increase in cash and cash equivalents during the year	(A+B+C)	(13,007)
Opening Cash & cash equivalent at the beginning of the year	2,78,777	8,87,655
Cash and cash equivalents at the end of the year	2,65,770	2,78,777
<u>Reconciliation of cash and cash equivalents with the Balance sheet</u>		
Cash on hand	327	327
Balances with banks	2,65,442	2,78,450
Cash and cash equivalents as per Balance Sheet (Refer Note 11)	2,65,770	2,78,777

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

FOR AND ON BEHALF OF THE COMPANY




Claudinei de Castro Vieira
 Director & CEO
 Campinas

Date: 13th May 2025

Marcelo Ziani
 Director
 Campinas

Date: 13th May 2025

ALIVIRA SAUDE ANIMAL LTDA.

Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2025

All amounts are in BRL.

(a) Equity share capital

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

As at 31 March, 2025		As at 31 March, 2024	
No. of Shares	Amount	No. of Shares	Amount
1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200
-	-	-	-
1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200

(b) Other Equity

Reserves and Surplus

Balance at the beginning of the reporting year
Profit for the year
Nourrie Integration
Corporate Emp. Expenses - Reserve
Balance at the end of the reporting year

As at 31 March, 2025				As at 31 March, 2024			
General reserve	Retained Earnings	Capital Reserve	Total	General reserve	Retained Earnings	Capital Reserve	Total
(1,85,55,533)	2,01,79,832	(2,56,55,708)	(2,40,31,408)	(1,89,14,080)	1,67,47,349	-	(21,66,731)
-	(5,71,874)	-	(5,71,874)	-	34,32,483	-	34,32,483
-	-	67,90,176	67,90,176	-	-	(2,56,55,708)	(2,56,55,708)
(2,09,601)	-	-	(2,09,601)	3,58,547	-	-	3,58,547
(1,87,65,134)	1,96,07,958	(1,88,65,532)	(1,80,22,708)	(1,85,55,533)	2,01,79,832	(2,56,55,708)	(2,40,31,408)

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

FOR AND ON BEHALF OF THE COMPANY


Claudinei de Castro Vieira
Director & CEO
Campinas

Date: 13th May 2025


Marcelo Ziani
Director
Campinas

Date: 13th May 2025

1. CORPORATE INFORMATION

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

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

Leasing transaction as defined in Ind AS 116 – Leases.

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

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

2.3 Functional and presentation currency

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

2.4 Significant Accounting Policies

i. Revenue Recognition

Sale of products

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

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

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

Interest income

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

ii. Leases

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

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

Leases previously accounted for as operating leases

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

The Company also applied the available practical expedients wherein it:

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

iii. Foreign currency transactions and translation

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

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

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

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

iv. Borrowing costs

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

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

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

v. Employee Benefits**a) Defined contribution plans**

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

b) Defined benefit plans

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

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

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

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

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

c) Short-term employee benefits

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

d) Other employee benefits

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

vi Taxes on income

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

vii. Property, plant and equipment**a) Recognition and measurement**

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

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

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

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

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

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

b) Subsequent costs

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

c) Derecognition of property, plant and equipment

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

viii. Intangible assets**a) Intangible assets acquired separately**

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follow:

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

b) Subsequent costs

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

c) Derecognition of intangible assets

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

ix. Inventories

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

x. Provisions and contingent liabilities

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

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

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

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

xi. Financial instruments

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

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

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

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

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

xii. Impairment**a) Financial assets**

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

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

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

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

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

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

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

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

b) Non-financial assets

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

xiii Earnings per share

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

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

xiv Cash and cash equivalents

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

xv Segment

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

xvi Current versus non-current classification

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

An asset is treated as current when:

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

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

xvii Fair value measurement

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

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

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

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

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

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

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

2A. Use of estimates and management judgments

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

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

i Deferred tax

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

ii. **Fair value**

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

iii. **Post-retirement benefit plans**

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

iv. **Provisions and contingencies**

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

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Notes to the financial statements for the year ended 31 March, 2025
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Note 3: Property, plant and equipment and capital work-in-progress

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Plant and machinery	Total
Cost or deemed cost						
Balance as on 31 March, 2023	4,76,128	7,61,083	3,02,748	21,00,884	19,69,130	56,09,974
Assets acquired	37,972	64,757	23,154	-	8,08,765	9,34,648
Balance as on 31 March, 2024	5,14,099	8,25,841	3,25,902	21,00,884	27,77,896	65,44,622
Assets acquired	2,314	57,566	81,102	-	4,60,685	6,01,666
Less: Deletions	-	3,355	-	-	-	3,355
Balance as on 31 March, 2025	5,16,413	8,80,051	4,07,004	21,00,884	32,38,581	71,42,533

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Plant and machinery	Total
Accumulated depreciation and impairment						
Balance as on 31 March, 2023	55,625	4,68,940	2,08,999	9,04,542	9,58,833	25,96,939
Depreciation expense for the year	19,083	52,060	30,728	1,99,390	2,18,786	5,20,047
Balance as on 31 March, 2024	74,708	5,20,999	2,39,727	11,03,933	11,77,619	31,16,986
Depreciation expense for the year	22,499	50,223	35,145	1,99,390	2,37,756	5,45,013
Less: Deletions	-	3,159	-	-	-	3,159
Balance as on 31 March, 2025	97,207	5,68,063	2,74,872	13,03,323	14,15,375	36,61,999

Particulars	Lease hold improvements	Furniture and fixtures	Computers	Right-of-use assets	Plant and machinery	Total
Carrying amount						
Balance as on 31 March, 2023	4,20,503	2,92,144	93,750	11,96,341	10,10,297	30,13,035
Assets acquired	37,972	64,757	23,154	-	8,08,765	9,34,648
Depreciation expense for the year	19,083	52,060	30,728	1,99,390	2,18,786	5,20,047
Balance as on 31 March, 2024	4,39,391	3,04,841	86,175	9,96,951	16,00,277	34,27,636
Assets acquired	2,314	57,566	81,102	-	4,60,685	6,01,666
Less: Deletions	-	3,355	-	-	-	3,355
Depreciation expense for the year	22,499	50,223	35,145	1,99,390	2,37,756	5,45,013
Less: Deletions	-	3,159	-	-	-	3,159
Balance as on 31 March, 2025	4,19,206	3,11,988	1,32,132	7,97,561	18,23,206	34,84,493

ALIVIRA SAUDE ANIMAL LTDA.

Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL.

Note 4: Other Intangible assets

Particulars	Product Licenses	Brands
Cost or deemed cost		
Balance as on 31 March, 2023	25,00,000	-
Assets acquired	-	-
Balance as on 31 March, 2024	25,00,000	-
Assets acquired / adjustments	1,48,44,348	28,69,154
Balance as on 31 March, 2025	1,73,44,348	28,69,154

Particulars	Product Licenses	Brands
Accumulated amortisation		
Balance as on 31 March, 2023	8,75,000	-
Amortisation expense for the year	2,50,000	-
Balance as on 31 March, 2024	11,25,000	-
Amortisation expense for the year / adjustments	94,04,013	17,69,312
Balance as on 31 March, 2025	1,05,29,013	17,69,312

Particulars	Product Licenses	Brands
Carrying amount		
Balance as on 31 March, 2023	16,25,000	-
Assets acquired	-	-
Amortisation expense	2,50,000	-
Balance as on 31 March, 2024	13,75,000	-
Assets acquired / adjustments	1,48,44,348	28,69,154
Amortisation expense / adjustments	94,04,013	17,69,312
Balance as on 31 March, 2025	68,15,334	10,99,842



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Note no	Particulars	As at 31 March 2025	As at 31 March 2024				
5	Non current Loan						
	Loan to Others	2,48,061	1,79,062				
		<u>2,48,061</u>	<u>1,79,062</u>				
6	Other Non current Financial Assets						
	Security Deposits	1,34,633	1,34,633				
	Social Security Contingent liability	1,15,087	1,64,322				
		<u>2,49,720</u>	<u>2,98,955</u>				
7	Deferred tax assets (net)						
	On account of Leases	1,47,263	1,48,679				
	On account of ESOP	7,77,206	8,48,471				
	On account of Goodwill	10,75,303	15,53,216				
	On Carry forward of losses	70,88,379	38,74,518				
		<u>90,88,152</u>	<u>64,24,883</u>				
8	Other non-current assets						
	Balances with government authorities	3,20,721	-				
		<u>3,20,721</u>	<u>-</u>				
9	Inventories						
	(At lower of cost and net realisable value)						
	Raw materials	1,24,76,375	93,10,027				
	Packing materials	7,54,426	7,43,811				
		<u>1,32,30,800</u>	<u>1,00,53,841</u>				
	Work-in-progress and intermediates	2,98,313	22,691				
	Finished goods	60,31,086	37,50,583				
	Goods-in transit - FG	55,28,164	37,64,946				
		<u>1,18,57,563</u>	<u>75,38,220</u>				
	Trading Goods	12,81,034	10,74,269				
		<u>2,63,69,397</u>	<u>1,86,66,329</u>				
	During the year ended 31 March 2025 BRL: 43,318 (31 March 2024 BRL: 296,120) was recognised as an expense towards provision for slow moving, expired and near expiry inventories						
10	Trade receivables						
	(a) Unsecured, considered good	2,26,92,729	1,56,04,211				
	(b) Unsecured, considered doubtful	3,92,665	3,57,138				
		<u>2,30,85,395</u>	<u>1,59,61,349</u>				
	Less: Provision for doubtful debts	(3,92,665)	(3,57,138)				
		<u>2,26,92,729</u>	<u>1,56,04,211</u>				
As on 31st March 2025							
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	2,23,82,625	23,800	-	-	-	-	2,24,06,425
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	3,92,665	3,92,665
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	2,86,305	2,86,305
Total	2,23,82,625	23,800	-	-	-	6,78,970	2,30,85,395
As on 31st March 2024							
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	1,50,02,000	5,20,186	18,569	63,455	-	-	1,56,04,211
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	3,57,138	3,57,138
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Total	1,50,02,000	5,20,186	18,569	63,455	-	3,57,138	1,59,61,349
11	Cash and cash equivalents						
	Cash on hand					327	327
	Balances with banks						
	- In current accounts					2,65,442	2,78,450
						<u>2,65,770</u>	<u>2,78,777</u>
12	Loans						
	Unsecured, considered good;						
	Advances to employees					26,601	24,866
	Loans to others					29,555	29,364
						<u>56,156</u>	<u>53,930</u>

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Note no	Particulars	As at 31 March 2025	As at 31 March 2024
13	Other current financial assets		
	Interest accrued on fixed deposits	95,114	95,113
	Advance Income-Tax including tax deducted at source	16,694	125,326
	Derivative Asset	<u>1,12,107</u>	<u>2,20,649</u>
14	Other current assets		
	Advance to suppliers	2,10,444	2,38,336
	Balance with government authorities	31,34,569	33,16,302
	Prepaid expenses	81,741	5,79,803
	Others	35,747	22,988
		<u>34,62,500</u>	<u>41,57,428</u>
15	Share capital		
(a)	Authorised		
	1,30,39,500 equity shares (March 31, 2024: 1,30,39,500 equity shares) of BRL 1 each	1,30,39,500	1,30,39,500
(b)	Issued, Subscribed and fully paid up		
	1,30,20,200 equity shares (March 31, 2024: 1,30,20,200 equity shares) of BRL 1 each	1,30,20,200	1,30,20,200
		<u>1,30,20,200</u>	<u>1,30,20,200</u>
Notes:			
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:			
Particulars			
	As at 31 March 2025	As at 31 March 2024	
	Nos of Shares	Amount	Nos of Shares
Equity shares			Amount
Shares outstanding at the beginning of the year	1,30,20,200	1,30,20,200	1,30,20,200
Add: Shares issued during the year	-	-	-
Shares outstanding at the end of the year	<u>1,30,20,200</u>	<u>1,30,20,200</u>	<u>1,30,20,200</u>
(ii) Terms/rights attached to equity shares			
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.			
(iii) Details of shares held by each shareholder holding more than 5% shares			
Equity shares			
Name of the shareholder	As at 31 March 2025	As at 31 March 2024	
Alivira, Brazil	Nos of Shares	% of Holding	Nos of Shares
	1,30,20,200	100.00%	1,30,20,200
			100.00%
16	Other Equity		
	a) Retained Earnings	1,96,07,958	2,01,79,832
	b) General reserve	(1,87,65,134)	(1,83,55,533)
	c) Other reserve	(1,88,65,532)	(2,56,53,708)
		<u>(1,80,22,708)</u>	<u>(2,40,31,408)</u>
17	Financial Liabilities - Long term borrowings		
	Unsecured - Tokaj Participações Ltda (Previously Fitch Participações Ltda)	-	92,638
	Unsecured Judicial liabilities	-	4,80,823
	From bank	-	27,58,587
		<u>-</u>	<u>33,32,048</u>
(i)	Details of terms of repayment for the secured long-term borrowings :-		
	Particulars	Terms of repayment	As at 31 Mar 2025
			As at 31 Mar 2024
	Tokaj Participações Ltda (Previously FITCH PARTICIPACOES LTDA):	Repayable in 108 monthly instalments commencing from Jan2020. Repaid fully in Sept 2024	-
	The Company has obtained the loan through various disbursements. The rate of interest is 1.10% on the loan outstanding. However it is changed to 0.50% per month from 1st Jan 2020 until Aug 2022. From Sept 2022 it is changes to 0.90% per month		10,66,710
	Judicial Liabilities The Company has received the judicial recovery judgement dated May 7, 2015 from the 2nd Civil Court of the District of Campinas, Sao Paulo for restructuring the payable towards class of vendors and banks to the loan. The interest rate of the restructured loan payable to vendors and banks is Mortgage reference rate of Brazil plus 1%.	The loan is repayable in half yearly 18 unequal instalments commencing from Nov 2016. Repayable fully by May 2025	5,56,891
			14,88,286
	From Bank: Loan from Daycoval bank	Loan repayable in 36 months instalments - 7.07%+CDI interest rate per year. Repayable fully by March 2026	30,10,052
			61,79,012
	From Bank: Loan from Safra bank	Loan repayable in 24 months instalments - 20.27% interest rate per year	-
			6,74,679
	Gross Amount		35,66,942
	Less: Current maturity of long term debt		94,08,693
			<u>35,66,942</u>
			<u>60,76,645</u>
			<u>-</u>
			<u>33,32,048</u>

Note no	Particulars	As at 31 March 2025	As at 31 March 2024
18	Other financial liabilities		
	Social Security Contingent liability	3,02,262	3,34,614
		<u>3,02,262</u>	<u>3,34,614</u>
19	Financial Liabilities - Short term borrowings		
	Loans repayable on demand		
	Secured loan		
	From bank	1,85,100	52,18,460
	Unsecured loan		
	From related party (refer note (i) below)	2,74,42,576	2,26,07,843
	Current maturities of long-term debt (refer note 17 (i) above)	35,66,942	60,76,645
		<u>3,11,94,618</u>	<u>3,39,02,947</u>
	Note :-		
	i) Loan from Alivira Animal Health Limited, Ireland USD 47,79,105 at interest range between 2.90% to 10.30% p a		
20	Trade Payable		
	Trade payable	3,33,50,928	1,96,90,237
		<u>3,33,50,928</u>	<u>1,96,90,237</u>

As on 31st March 2025

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	2,86,49,974	47,00,954	-	-	-	3,33,50,928
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	2,86,49,974	47,00,954	-	-	-	3,33,50,928

As on 31st March 2024

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	1,71,91,877	24,98,359	-	-	-	1,96,90,237
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	1,71,91,877	24,98,359	-	-	-	1,96,90,237

21	Other Current financial Liabilities		
	Derivative Instrument	4,45,827	1,971
		<u>4,45,827</u>	<u>1,971</u>
22	Other Current Liabilities		
	Statutory remittances	9,29,760	5,79,921
	Advances from customers	1,09,76,659	16,50,868
		<u>1,19,06,419</u>	<u>22,30,789</u>
23	Short term provisions		
	Provision for compensated absences	7,92,801	7,71,220
		<u>7,92,801</u>	<u>7,71,220</u>
24	Current tax liabilities (Net)		
	Provision for taxation	43,550	-
		<u>43,550</u>	<u>-</u>

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Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL

Note no	Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
25	Revenue from Operations		
	Gross Sale	10,70,91,359	10,15,72,348
	Less: Sale Return	12,43,067	11,15,951
		<u>10,58,48,292</u>	<u>10,04,56,396</u>
26	Other Income		
	Other Miscellaneous income	65,121	5,45,399
		<u>65,121</u>	<u>5,45,399</u>
27	Cost of materials consumed		
	Opening stock	1,00,53,841	1,07,55,066
	Add: Purchases	7,14,65,916	7,07,30,230
	Less: Closing stock	1,32,30,800	1,00,53,841
		<u>6,82,88,957</u>	<u>7,14,31,456</u>
28	Purchases of stock-in-trade		
	Purchases of stock-in-trade	1,24,48,700	34,72,331
		<u>1,24,48,700</u>	<u>34,72,331</u>
29	Changes in inventories of finished goods and work-in-progress & intermediates		
	Opening stock		
	Work-in-progress and intermediates	22,691	1,47,512
	Finished goods	85,89,798	65,41,754
		<u>86,12,489</u>	<u>66,89,266</u>
	Closing stock		
	Work-in-progress and intermediates	2,98,313	22,691
	Finished goods	1,28,40,283	85,89,798
		<u>1,31,38,597</u>	<u>86,12,489</u>
	Net (increase) / decrease	<u>(45,26,108)</u>	<u>(19,23,223)</u>
30	Employee benefits expense		
	Salaries and wages	50,62,597	49,41,000
	Contribution to funds/other funds	21,39,572	19,91,195
	Employee Stock option scheme	(2,09,601)	3,58,547
	Staff welfare expenses	37,18,766	35,17,916
		<u>1,07,11,334</u>	<u>1,08,08,658</u>
31	Finance costs		
	Interest expense	26,56,260	29,51,869
	Other borrowing costs	46,114	79,008
	Interest on lease liabilities	2,14,980	2,44,893
		<u>29,17,354</u>	<u>32,75,770</u>

ALIVIRA SAUDE ANIMAL LTDA.

Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL

Note no	Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
32	Depreciation and amortization expense		
	Depreciation on Tangible Assets	3,45,623	3,21,087
	Depreciation on right-of-use assets	1,99,390	1,99,390
	Amortisation of Intangible Assets	2,50,000	2,50,000
		<u>7,95,013</u>	<u>7,70,477</u>
33	Other expenses		
	Travel expenses	7,72,964	6,67,448
	Communication expenses	84,087	83,007
	Contract labour charges	58,412	92,033
	Legal and Professional charges	15,43,523	12,80,088
	Freight and forwarding	32,82,269	27,31,325
	Power and fuel	3,40,169	3,51,226
	Rent	5,04,587	3,89,844
	Analytical charges	4,97,411	6,17,688
	Repairs to buildings	1,05,441	1,30,868
	Repairs to machinery	4,66,578	5,11,455
	Repairs to others	99,454	1,66,003
	Research & Development	8,56,294	4,25,721
	Insurance	39,675	86,483
	Commission on sales	23,41,943	22,61,052
	Production Waste Disposal	35,371	43,421
	Water & Sewage	1,57,754	1,81,572
	Other Office Expenses	4,99,002	5,88,581
	Advertisement and selling expenses	6,78,769	5,94,390
	Rates and taxes	3,63,720	3,11,736
	Net loss on foreign currency transactions and translation	52,61,798	495
	Other expenses	350	-
		<u>1,79,89,568</u>	<u>1,15,14,439</u>
34	Tax expense		
	Current tax	5,23,737	-
	Deferred tax	(26,64,684)	(17,71,841)
	Deferred tax leases	1,416	(8,754)
		<u>(21,39,531)</u>	<u>(17,80,595)</u>

ALIVIRA SAUDE ANIMAL LTDA.

Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL.

35 Details of leasing arrangements

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

The following is the movement in lease liabilities:

Particulars	1 April 2024 to 31 March, 2025	1 April 2023 to 31 March, 2024
Opening Balance	14,34,242	16,07,885
Accretion of interest	2,14,980	2,44,893
Payments	(4,18,536)	(4,18,536)
Closing Balance	12,30,686	14,34,242
Current	2,38,623	2,03,556
Non-current	9,92,063	12,30,686

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

The following are the amounts recognised in profit or loss:

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation expense of right-of-use assets (Refer Note 32)	1,99,390	1,99,390
Interest expense on lease liabilities (Refer Note 31)	2,14,980	2,44,893
Deferred tax lease (Refer Note 34)	1,416	(8,754)
Total amount recognised in profit or loss	4,15,787	4,35,529

36 Earnings per share

Particulars	1 April 2024 to 31 March, 2025	1 April 2023 to 31 March, 2024
Net profit for the period as per statement of profit and loss	(5,71,874)	34,32,483
Net profit for the period attributable to the equity shareholders	(5,71,874)	34,32,483
Weighted average number of equity shares	1,30,20,200	1,30,20,200
Earnings per share - Basic	(0.04)	0.26
Earnings per share - Diluted	(0.04)	0.26

37 Segment information

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

Primary segment: Business segment

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

38 Contingent liabilities and commitments**(i) Contingent liabilities**

There is no contingent liabilities and commitments as at 31st March 2025

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) as at 31st March 2025 : Nil
(31st March 2024: Nil)

ALIVIRA SAUDE ANIMAL LTDA.

Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL.

39 Reconciliations of tax expenses and details of deferred tax balances

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

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

	Year ended 31 March 2025	Year ended 31 March 2024
Current tax	5,23,737	-
Total (I)	5,23,737	-
Deferred tax		
on goodwill	-	-
Origination and reversal of temporary differences	(26,63,268)	(17,80,595)
Total (II)	(26,63,268)	(17,80,595)
Provision for tax of earlier years Provided (III)	-	-
Total (IV = I+II+III)	(21,39,531)	(17,80,595)

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 2025	31 March 2024
Profit before tax	(27,11,405)	16,51,888
Statutory income tax rate	34.00%	34.00%
Tax as per applicable tax rate	(9,21,878)	5,61,642
Differences due to:		
- ESOP expenses allowed based on exercise	71,264	-
- Effect of deferred tax on lease	1,416	-
- Tax benefit LC 160	-	(8,15,684)
- Goodwill	(12,23,188)	(12,23,188)
- Others	(67,145)	(3,03,366)
Income tax expenses charged to the statement of profit and loss	(21,39,530)	(17,80,595)
Effective tax rate	78.9%	-107.8%

C) Movement in deferred tax assets and liabilities

	31 March 2025			
		As at 01 April 2024	Credit / (charge) in the statement of profit and loss	As at 31 March 2025
- Right-of-use assets (*)		1,48,679	(1,416)	1,47,263
Tax assets / (liabilities)		1,48,679	(1,416)	1,47,263
- Unabsorbed depreciation and carried forward of losses		39,24,949	31,63,431	70,88,380
- Employee Stock Option		8,48,471	(71,264)	7,77,207
- On account of Goodwill		15,53,215	(4,77,913)	10,75,303
Net tax assets / (liabilities)		64,75,314	26,12,838	90,88,152

	31 March 2024			
		As at 01 April 2023	Credit / (charge) in the statement of profit and loss	As at 31 March 2024
- Right-of-use assets (*)		1,39,925	8,754	1,48,679
Tax assets / (liabilities)		1,39,925	8,754	1,48,679
- Unabsorbed depreciation and carried forward of losses		17,46,670	21,78,279	39,24,949
- Employee Stock Option		7,26,565	1,21,906	8,48,471
- On account of Goodwill		20,31,128	(4,77,913)	15,53,215
Net tax assets / (liabilities)		46,44,288	18,31,026	64,75,314

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

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

Carrying value & fair value		
Financial assets	31 March 2025	31 March 2024
Measured at amortised cost		
Loans	3,04,217	2,32,992
Trade receivables	2,26,92,729	1,56,04,211
Cash and cash equivalents	2,65,770	2,78,777
Other financial assets	3,61,827	5,19,604
Total	2,36,24,543	1,66,35,584
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity)	3,11,94,618	3,72,34,996
Trade payables	3,33,50,928	1,96,90,237
Lease Liabilities	12,30,686	14,34,242
Other financial liabilities	7,48,089	3,36,585
Total	6,65,24,321	5,86,96,060



40.1 Financial risk management objective and policies

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

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

40.2 Credit risk

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

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

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

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

	31 March 2024	31 March 2023
Outstanding for more than 6 months	-	82,024
Others	2,26,92,729	1,55,22,187
Total	2,26,92,729	1,56,04,211

Information about major Customer

Largest customers Company has total exposure in sales (BRL 2,85,44,971 of total sales) in current year and (BRL 2,51,60,588 of total sales) in FY 2023-24. The receivables from these customers are (BRL 1,27,02,449 of total receivable) in current year and (BRL 78,75,742 of total receivable) in FY 2023-24. Apart from the aforesaid customers, the Company does not have a significant credit risk exposure to any other external counterparty.

40.3 Liquidity risk

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

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2025 and 31 March 2024:

Particulars	As at 31 March 2025			
	Less than 1 year	1-2 years	2 years and above	Total
Borrowings (including current maturity of long-term borrowings)	3,11,94,618	-	-	3,11,94,618
Trade payables	3,33,50,928	-	-	3,33,50,928
Lease Liabilities	2,38,623	2,79,731	7,12,332	12,30,686
Other financial liabilities	4,45,827	-	3,02,262	7,48,089

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

40.4 Market risk

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

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

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

Foreign currency Risk:

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

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

Foreign currency	31 March 2025		31 March 2024	
	Receivables / (payables)	Receivables / (payables) in foreign currency	Receivables / (payables)	Receivables / (payables) in foreign currency
EURO	(56,544)	(9,121)	(18,117)	(3,356)
USD	(2,24,67,289)	(39,09,122)	(1,19,91,500)	(24,30,137)
USD	2,05,728	35,795	88,337	17,902
Net exposure	(2,23,18,104)		(1,19,21,279)	

b) Derivative financial instruments

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

(i) Outstanding forward exchange contracts entered into by the Company as at 31 March 2025 and 31 March 2024:

Currency	Amount in US \$ million		Buy / Sell	Cross currency
	As at 31 March 2025	As at 31 March 2024		
USD	30,00,000	15,00,000	Buy	BRL

Foreign currency Risk:

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

c) Foreign currency sensitivity analysis

The Company is mainly exposed to currency fluctuation of USD and Euro.

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

	Impact on profit or loss and total equity	
	31 March 2025	31 March 2024
10% decrease in foreign currency		
Currency of Europe (Euro)	5,654	1,812
Currency of U.S.A (USD)	22,26,156	11,90,316
10% increase in foreign currency		
Currency of Europe (Euro)	(5,654)	(1,812)
Currency of U.S.A (USD)	(22,26,156)	(11,90,316)

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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Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL

d) Interest rate risk exposure

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

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

	31 March 2025	31 March 2024
Fixed-rate instruments		
Financial liabilities		
-Borrowings from bank	1,85,100	58,93,139
-Borrowings from related party	2,74,42,576	2,26,07,843
-Borrowings from others	-	10,66,710
	<u>2,76,27,676</u>	<u>2,95,67,692</u>
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	30,10,052	61,79,017
-Borrowings from related party	-	-
-Borrowings from others	5,56,891	14,88,286
Total	<u>35,66,942</u>	<u>76,67,303</u>

Fair value sensitivity analysis for fixed-rate instruments

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

Interest rate sensitivity analysis for variable-rate instruments

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

Effect	Profit or loss	
	100 bps (increase)	100 bps decrease
31 March 2025		
Variable-rate instruments	(35,669)	35,669
	<u>(35,669)</u>	<u>35,669</u>
31 March 2024		
Variable-rate instruments	(76,673)	76,673
	<u>(76,673)</u>	<u>76,673</u>

ALIVIRA SAUDE ANIMAL LTDA.

Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL

40.5 Capital management

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

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



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 2025	31 March 2024
Debt (i)	3,11,94,618	3,72,34,996
Cash and bank balances (ii)	2,65,770	2,78,777
Net debt (i) - (ii)	3,09,28,848	3,69,56,218
 Equity attributable to owners of the Company	 (50,02,508)	 (1,10,11,208)
 Gearing ratio : Net debt / Equity.	 NA	 NA

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



ALIVIRA SAUDE ANIMAL LTDA.

Notes to the financial statements for the year ended 31 March, 2025

All amounts are in BRL

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

Alivira Saude Animal Do Brasil Participacoes LTDA

Alivira Animal Health Limited, Ireland (Holding company of Alivira Saude Animal Do Brasil Participacoes LTDA.)

Alivira Animal Health Limited, India (Holding company of Alivira Animal Health Limited, Ireland)

Sequent Scientific Limited, India (Ultimate Holding Company)

ii) Fellow Subsidiary :

Expeden Distribuidora de Produtos Veterinarios Ltda (Formerly known as Evanvet Distribuidora de Produtos Veterinarios Ltda)

Laboratorios Karizoo SA, Spain

Phytotherapic Solutions S.L.

iii) Key Management Personnel

Claudinei de Castro Vieira (Director & Chief Executive officer)

Marcelo Ziani (Director)

Eduardo Arrelaro (Financial Head)

iv) Enterprises owned or Significantly influenced by individuals who have control / significant influence over the Company

Fitch Participacoes Ltda


Ares Holding LTDA

A. Transaction during the period

Nature of Transactions	Year ended 31 March 2025	Year ended 31 March 2024
(i) Sales of materials		
Expeden Distribuidora de Produtos Veterinarios Ltda	3,09,68,028	3,41,67,626
(ii) Interest Expenses		
Tokaj Participações Ltda (Previously Fitch Participações Ltda)	54,471	3,20,663
Alivira Animal Health Limited, Ireland	14,76,006	6,61,743
(iii) Loan repaid		
Tokaj Participações Ltda (Previously Fitch Participações Ltda)	11,21,181	18,27,962
(iv) Legal & professional Expenses		
Laboratorios Karizoo SA, Spain	4,73,179	1,96,128
(v) Purchase of materials		
Phytotherapic Solutions S.L.	3,76,692	38,865
Alivira Animal Health Limited, India	47,24,188	-

B. Balance as at balance sheet date:

Nature of Transactions	As at 31 March 2025	As at 31 March 2024
(i) Creditors balance		
Laboratorios Karizoo SA, Spain	55,990	18,117
Alivira Animal Health Limited, India	26,10,184	-
(ii) Debtors balance		
Expeden Distribuidora de Produtos Veterinarios Ltda	70,647	-
(iii) Advance from Customer		
Expeden Distribuidora de Produtos Veterinarios Ltda	1,08,78,831	16,05,036
(iv) Loan Outstanding		
Alivira Animal Health Limited, Ireland	2,74,42,576	2,26,07,843
Tokaj Participações Ltda (Previously Fitch Participações Ltda)	-	10,66,710

FOR AND ON BEHALF OF THE COMPANY
Claudinei de Castro Vieira
Director & CEO

Campinas

Date: 13th May 2025

Marcelo Ziani
Director

Campinas

Date: 13th May 2025