S R B C & CO LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alivira Animal Health Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alivira Animal Health Limited ("the Company"), which comprise the Balance sheet as at March 31, 2025, the Statement of Profit and Loss, including the Statement of Other Comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2025, its loss including other comprehensive expense, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive expense, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of

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appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that backup of books of accounts was not performed on June 19, 2024 as stated in Note 67 to the financial statements and except for the matter stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 49 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. a) The management has represented that, to the best of its knowledge and belief, and as disclosed in the note 57 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, and as disclosed in the note 57 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that in case of SAP software, audit trail feature is not enabled for certain changes made, if any, using privileged / administrative access rights as described in note 66 to the financial statements. Further, no instance of audit trail feature being tampered with was noted in respect of these software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXOJ6555
Place of Signature: Thane
Date: May 19, 2025

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ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: Alivira Animal Health Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B)The Company has maintained proper records showing full particulars of intangibles assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2025.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year except for inventory lying with third parties. In our opinion, the coverage and frequency of such verification by the management is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2025 and material discrepancies were not noticed in respect of such confirmations. There were no discrepancies of 10% or more noticed, in aggregate for each class of inventory.

(b) As disclosed in note 65 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks / financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements (including revised) filed by the Company with such banks / financial institutions are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to Companies as follows:

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(Rs.in Million)

Particulars	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted / provided during the year				
- Subsidiary	2,481.86	-	155.61	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiary / step-down subsidiary	2,481.86	-	1,235.84	-
- Holding Company	380.00	-	-	-

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee and provided security to firms, Limited Liability Partnerships or any other parties.

(b) During the year, the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees to Companies are not prejudicial to the Company's interest.

(c) In respect of loan granted to Companies, the schedule of repayment of principal and payment of interest has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loan.

(d) There are no amounts of loans granted to Companies which are overdue for more than ninety days. The Company has not granted loans or advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(e) There were no loans granted to Companies which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties. There were no loans or advance in the nature of loan granted to firms, limited liability partnerships or any other parties which was fallen due during the year.

(f) As disclosed in note 11 to the financial statements, the Company has granted loans repayable on demand to Companies. Of these following are the details of the aggregate amount of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	Amount granted during the year (Rs. in million)
Aggregate amount of loans granted to related parties - Repayable on demand	155.61*
Percentage of loans to the total loans	100%

*represents interest added to the principal loan as per the terms of the loan

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

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(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacturing of pharmaceuticals products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income- tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute, are as follow-

Name of the Statute	Nature of the Dues	Amount net of pre-deposit (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
CGST and MGST Act, 2017	Goods and Services Tax	0.52	AY 2018-19	Joint Commissioner of State Tax (Appeal)
CGST Act, 2017	Goods and Services Tax	0.75	AY 2018-19	Additional Commissioner State Tax (Appeal)

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) Loans amounting to Rs. 3,967.51 million are repayable on demand and terms and conditions for payment of interest thereon has not been stipulated. Such loan and interest thereon have not been demanded for repayment during the relevant financial year. The Company has not defaulted in repayment of other borrowings or payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

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(f) The Company has raised loans during the year on the pledge of securities held in its subsidiaries, as per details below. Further, the Company has not defaulted in repayment of such loans raised.

Nature of loan taken	Name of lender	Amount of loan (Rs. in million)	Name of the subsidiary	Relation	Details of security pledged *
Term Loan	Bank	1,100	Alivira Animal Health Limited (Ireland)	Subsidiary	100% Equity Shares (Carrying value of INR 5,601.90 million)
			Provet Veteriner Urunleri San Ve Tic A S (Turkey)	Step-down subsidiary	100% Equity Shares
			Alivira Saude Animal Brasil Participacoes Ltda (Brazil)	Step-down subsidiary	100% Equity Shares
			Vila Vina Participacions S.L. (Spain)	Step-down subsidiary	60% Equity Shares

* Refer Note 9 of the financial statements for details of securities pledged. The Company does not have any associate or joint venture.

(x) (a) The Company has not raised any amount during the year by way of initial public offer / further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

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(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause (xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause (xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause (xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year amounting to Rs. 230.20 million. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 128.29 million.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 56 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The provisions of Section 135 to the Companies Act. 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company and hence not commented upon.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXOJ6555
Place of Signature: Thane
Date: May 19, 2025

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ALIVIRA ANIMAL HEALTH LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Alivira Animal Health Limited ("the Company") as of March 31 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A Company's internal financial controls with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are

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being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**
Partner
Membership Number: 110759
UDIN: 25110759BMKXOJ6555
Place of Signature: Thane
Date: May 19, 2025

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Alivira Animal Health Limited
Balance Sheet as at 31 March 2025
All amounts are in ₹ million unless otherwise stated

	Notes	As at 31 March 2025	As at 31 March 2024
A. ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	1,048.54	1,259.80
(b) Right-of-use assets	4.a	415.45	427.80
(c) Capital work-in-progress	5	83.93	23.43
(d) Goodwill	6	68.89	68.89
(e) Intangible assets	7	11.11	12.42
(f) Intangible assets under development	8	0.68	-
(g) Financial assets			
(i) Investments in subsidiary	9	5,601.90	5,519.67
(ii) Other investments	10	-	5.33
(iii) Loans	11	1,235.84	1,080.23
(iv) Other financial assets	12	17.04	15.15
(h) Deferred tax assets (net)	13	664.51	409.22
(i) Income tax assets (net)	14	27.30	23.71
(j) Other non-current assets	15	47.01	50.78
Total non-current assets		**9,222.20**	**8,896.43**
II Current assets			
(a) Inventories	16	1,204.28	1,117.35
(b) Financial assets			
(i) Trade receivables	17	811.86	1,156.39
(ii) Cash and cash equivalents	18	9.97	8.37
(iii) Bank balances other than (ii) above	19	60.00	0.09
(iv) Other financial assets	20	11.63	1.96
(c) Other current assets	21	122.43	110.84
Total current assets		**2,220.17**	**2,395.00**
III Assets held for sale	4.b	-	**35.16**
Total Assets		**11,442.37**	**11,326.59**
B. EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	22	477.76	477.76
(b) Other equity	23	3,837.05	4,286.51
Total equity		**4,314.81**	**4,764.27**
II Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	5,030.89	4,128.99
(ii) Lease liabilities	25	81.88	91.49
(b) Provisions	26	70.83	56.07
(c) Other non-current liabilities	27	-	1.27
Total non-current liabilities		**5,183.60**	**4,277.82**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	28	725.64	1,260.21
(ii) Lease liabilities	31	8.35	7.20
(iii) Trade payables	29		
Total outstanding dues of micro enterprises and small enterprises		80.84	65.36
Total outstanding dues of creditors other than micro enterprises and small enterprises		949.03	736.89
(iv) Other financial liabilities	30	107.48	97.63
(b) Provisions	32	27.17	26.99
(c) Other current liabilities	33	45.45	90.22
Total current liabilities		**1,943.96**	**2,284.50**
Total liabilities		**7,127.56**	**6,562.32**
Total Equity and Liabilities		**11,442.37**	**11,326.59**
Material accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number : 324982E / E300003

Per Anil Jobanputra
Partner
Membership No: 110759

S R B C & CO LLP * MUMBAI * CHARTERED ACCOUNTANTS

Thane, 19 May 2025

For and on behalf of the Board of Directors

Rajaram Narayanan
Managing Director & Chief Executive Officer
DIN: 02977405

Vedprakash Ragate
Director
DIN: 10578409

Saurav Bhala
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

ALIVIRA ANIMAL HEALTH LTD.

Alivira Animal Health Limited
Statement of Profit and Loss for the period ended 31 March 2025
All amounts are in ₹ million unless otherwise stated except for earnings per share information

		Notes	Year ended 31 March 2025	Year ended 31 March 2024
1	Revenue from operations	34	3,681.42	3,784.20
2	Other income	35	247.64	178.79
3	**Total income (1+2)**		**3,929.06**	**3,962.99**
4	**Expenses**			
	(a) Cost of materials consumed	36	945.25	1,249.03
	(b) Purchases of stock-in-trade	37	1,010.92	1,005.99
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	(81.17)	(305.58)
	(d) Employee benefits expense	39	859.18	787.32
	(e) Finance costs	40	633.21	527.34
	(f) Depreciation and amortisation expenses	41	324.11	301.11
	(g) Other expenses	42	999.47	1,001.49
	Total expenses (4)		**4,690.97**	**4,566.70**
5	**Profit / (loss) before tax and Exceptional item (3-4)**		**(761.91)**	**(603.71)**
6	Exceptional item	43	8.11	151.90
7	**Profit / (loss) before tax (5-6)**		**(770.02)**	**(755.61)**
8	**Tax expense / (credits)**	44		
	(1) Current tax		-	-
	(2) Adjustment of income tax relating to earlier periods		1.16	(1.40)
	(3) Deferred tax		(253.68)	(254.23)
	Total tax expense/ (credits) (8)		**(252.52)**	**(255.63)**
9	**Profit / (loss) after tax (7-8)**		**(517.50)**	**(499.98)**
10	**Other comprehensive income / (expenses)**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain/ (loss) on defined benefit plans		(4.62)	(1.70)
	(b) Income tax relating to items that will not be reclassified to profit or loss		1.61	0.59
	Total other comprehensive income/ (expenses) (net of tax) (10)		(3.01)	(1.11)
11	**Total comprehensive income/ (expenses) for the year, net of tax (9+10)**		**(520.51)**	**(501.09)**
	Earnings per equity share (Face value of share - ₹ 10 each)	45		
	(1) Basic (in ₹)		(10.83)	(10.46)
	(2) Diluted (in ₹)		(10.83)	(10.46)
	Material accounting policies	2		
	The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number : 324982E / E300003

Per Anil Jobanputra
Partner
Membership No: 110759

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Thane, 19 May 2025

For and on behalf of the Board of Directors

Rajaram Narayanan
Managing Director & Chief Executive Officer
DIN:02977405

Vedprakash Ragate
Director
DIN: 10578409

Saurav Bhala
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

ALIVIRA ANIMAL HEALTH LTD.

Alivira Animal Health Limited
Statement of cash flows for the year ended 31 March 2025
All amounts are in ₹ million unless otherwise stated

		Year ended 31 March 2025	Year ended 31 March 2024
Cash flow from operating activities			
Net Profit before tax		**(770.02)**	**(755.61)**
Adjustments for:			
Depreciation and amortisation expenses		324.11	301.11
Bad trade receivables/advances written off		-	5.32
Provision for doubtful debts no longer required written back		(4.72)	(5.36)
Liabilities no longer required written back		(6.16)	-
Share based payments to employees		-	92.80
Cancellation of Lease		(0.78)	-
Unrealised foreign exchange loss / (gain) (net)		(21.73)	(16.47)
(Gain) / loss on sale of property, plant and equipment		(0.28)	(1.30)
PPE written off		0.01	1.64
Finance costs		633.21	527.34
Corporate guarantee commission		-	(10.05)
Fair value gain on financial instruments measured at fair value through profit or loss		-	(0.23)
Gain on sale of mutual funds (net)		(0.18)	-
Interest income		(134.52)	(70.55)
Insurance claim received in respect of PPE		-	(74.00)
Operating profit / (loss) before working capital changes		**18.94**	**(5.36)**
Changes in working capital			
(Increase) / decrease in trade receivables, loans and other assets		293.48	175.32
(Increase) / decrease in inventories		(86.93)	(267.66)
(Increase) / decrease in margin money and other deposits		-	0.39
Increase / (decrease) in trade payables, other payables and provisions		205.94	297.42
Net change in working capital		**412.49**	**205.47**
Cash generated from operations		**431.43**	**200.11**
Income taxes paid, net of refunds		(3.59)	10.01
Net cash generated from operating activities	**A**	**427.84**	**210.12**
Cash flow from investing activities			
Purchase of property, plant and equipment (PPE) and intangible assets		(161.68)	(213.32)
Proceeds from disposal of PPE and transfer of leasehold rights (including advances)		21.04	3.10
Proceeds of insurance claim		-	74.00
(Investments in) / redemption of fixed deposits		(60.00)	-
(Purchase) / sale of mutual funds		5.51	(5.10)
Loan given to subsidiary company		-	(572.62)
Interest received		5.16	0.89
Net cash generated from / (used in) investing activities	**B**	**(189.97)**	**(713.05)**
Cash flow from financing activities			
(Repayment)/Proceeds of short-term borrowings (net)		(468.87)	131.98
Loan received/(repayment) from/to related parties (net)		(106.25)	160.00
Payment of principal portion of lease liabilities		(7.08)	(6.00)
Proceeds from long-term borrowings		1,086.62	350.00
Repayments of long-term borrowings		(461.77)	(59.97)
Interest and other borrowing costs		(278.92)	(70.44)
Net cash generated from / (used in) financing activities	**C**	**(236.27)**	**505.57**
Net increase in cash and cash equivalents during the year	**(A+B+C)**	**1.60**	**2.64**
Cash and cash equivalents at the beginning of the year (refer note 18)		8.37	5.73
Cash and cash equivalents at the end of the year (refer note 18)		**9.97**	**8.37**

Note: The statement of cash flows has been prepared under the indirect method, as set out in Ind AS 7 'Statement of Cash Flows'.

Reconciliation of liabilities arising from financing activities

For the year ended 31 March 2025	Opening Balance	Cash Flows	Non-Cash Changes	Closing Balance
Borrowings and Lease liabilities	5,487.89	42.65	316.22	5,846.76
Total liabilities from financing activities	**5,487.89**	42.65	316.22	**5,846.76**

For the year ended 31 March 2024	Opening Balance	Cash Flows	Non-Cash Changes	Closing Balance
Borrowings and Lease liabilities	4,527.19	505.57	455.13	5,487.89
Total liabilities from financing activities	**4,527.19**	**505.57**	**455.13**	**5,487.89**

Material accounting policies (Refer Note 2)
The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number : 324982E / E300003

Per Anil Jobanputra
Partner
Membership No: 110759

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Thane, 19 May 2025

For and on behalf of the Board of Directors

Rajaram Narayanan
Managing Director & Chief Executive Officer
DIN:02977405

Vedprakash Ragate
Director
DIN: 10578409

Saurav Bhala
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

ALIVIRA ANIMAL HEALTH LTD. ★

Alivira Animal Health Limited
Statement of Changes in Equity (SOCIE) for the year ended 31 March 2025
All amounts are in ₹ million unless otherwise stated

(a) Equity share capital

	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	4,77,76,470	477.76	4,77,76,470	477.76
Issued during the year	-	-	-	-
Balance at the end of the year	**4,77,76,470**	**477.76**	**4,77,76,470**	**477.76**

(b) Other equity

	Other Equity (note 23)					
	Securities premium account	Retained earnings	General Reserve	Other reserves	Contribution from Parent Company	Total
Opening balance as at 01 April 2023	**4,230.73**	**93.11**	**54.24**	**61.28**	**273.85**	**4,713.21**
Profit for the year	-	(499.98)	-	-	-	(499.98)
Other comprehensive income/ (expenses) for the year, net of income tax	-	(1.11)	-	-	-	(1.11)
Total comprehensive income for the year	**-**	**(501.09)**	**-**	**-**	**-**	**(501.09)**
Employee stock option expenses for employees of subsidiaries	-	-	-	-	55.27	55.27
Fair value of corporate guarantee received from holding company in respect of borrowings	-	-	-	21.02	-	21.02
Fair value of Corporate Guarantee	-	(1.90)	-	-	-	(1.90)
Balance as at 31 March 2024	**4,230.73**	**(409.88)**	**54.24**	**82.30**	**329.12**	**4,286.51**
Opening balance as at 01 April 2024	**4,230.73**	**(409.88)**	**54.24**	**82.30**	**329.12**	**4,286.51**
Profit/ (loss) for the year	-	(517.50)	-	-	-	(517.50)
Other comprehensive income/ (expenses) for the year, net of income tax	-	(3.01)	-	-	-	(3.01)
Total comprehensive income/ (expenses) for the year	**-**	**(520.51)**	**-**	**-**	**-**	**(520.51)**
Employee stock option expenses for employees of subsidiaries	-	-	-	-	82.23	82.23
Fair value of corporate guarantee received from holding company in respect of borrowings	-	-	-	(11.18)	-	(11.18)
Balance as at 31 March 2025	**4,230.73**	**(930.39)**	**54.24**	**71.12**	**411.35**	**3,837.05**

Material accounting policies (Refer Note 2)
The accompanying notes are an integral part of the financial statements

As per our report of even date attached
For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number- 324982E / E300003

Per Anil Jobanputra
Partner
Membership No: 110759
Thane, 19 May 2025

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Rajaram Narayanan
Managing Director & Chief Executive Officer
DIN:02977405

Vedprakash Ragate
Director
DIN: 10578409

Saurav Bhala
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

ALIVIRA ANIMAL HEALTH LTD.

Alivira Animal Health Limited
Notes to the financial statements for the year ended 31 March 2025

1. CORPORATE INFORMATION

The financial statements comprise financial statements of Alivira Animal Health Limited (the "Company") (CIN U74120MH2013PLC248708) for the year ended 31 March 2025 and has its registered office located at 301, 3rd Floor, Dosti Pinnacle, Plot No. E7 Road No. 22, Wagle Industrial Estate, Thane (W), Maharashtra - 400604, India.The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is a wholly owned subsidiary of Sequent Scientific Limited.

The Company is primarily engaged in the manufacturing of veterinary Active Pharmaceutical Ingredient (API). The Company is also engaged in the trading of Finished dosage formulations.

2. MATERIAL ACCOUNTING POLICIES

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 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements were approved for issue in accordance with a resolution of the director as on 19 May 2025.

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

- Share based payment transaction as defined in Ind AS 102 – Share based payment.
- Leasing transaction as defined in Ind AS 116 – Leases.
- Measurement that has 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 products 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 Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest million (up to two decimals), except otherwise stated.

2.4 Summary of material accounting policies

(i) Revenue from contract with customer

Sale of goods

Revenue from sales 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. Sales of products comprise revenue from sales of products, net of sales returns, rebates, incentives, and customer discounts.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

ALIVIRA ANIMAL HEALTH LTD.

Revenue from contract with customer is recognized when the Company transfers control over the product to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Control of a product refers to the ability to direct the use of and obtain substantially all of the remaining benefits from that asset. Performance obligations are satisfied at one point in time, typically on delivery. Most of the 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 rebates / incentives are estimated and accrued on each of the underlying sales transactions recognized. Returns and customer discounts are recognized in the period in which the underlying sales are recognized. The number of sales returns is calculated on the basis of management's best estimate of the amount of product that will ultimately be returned by customers.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the said earned consideration.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is received from customer or due, whichever is earlier. Contract liabilities are recognized as revenue when the Company performs under the contract.

Services

Income is recognized when the services are completed as per the terms of the agreement and when no significant uncertainty as to its determination or realization exists.

Export entitlements income

Export entitlements from Government authorities are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest and dividend 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. Effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income from investments is recognized when the Company's right to receive payment has been established.

(ii) 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.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

ALIVIRA ANIMAL HEALTH LTD.

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.

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.
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(iii) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
The determination of whether an arrangement is,or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets (ROU)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the of the lease term.
If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies (xiii) (b) Impairment of non-financial assets. Below table mentions

Nature of the Assets	Lease term
Buildings	20-99
Land	80-99

b. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

ALIVIRA ANIMAL HEALTH LTD.

c. The Company applies the short-term lease recognition exemption to its short-term leases of office premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(iv) Foreign currency transactions and translation

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized 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 translated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognized 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.

(v) 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.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

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

(vi) Employee Benefits

a. Defined Contribution Plans:

The Company has defined contribution plans for post-employment benefits in the form of provident fund which is administered through Government of India. Provident fund 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 recognized 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 gratuity scheme is in the nature of defined benefit plan.

The gratuity scheme is partly funded by the Company with Life Insurance Corporation of India.

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), 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. The discount rates used for determining the present value of the obligation under defined benefit plans are based on the market yields on Government securities as at the balance sheet date. 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. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognized 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.

Short-term employee benefits

A liability is recognized for short-term employee benefit obligations in respect of wages and salaries, 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.

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 recognized 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.

Taxation

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

a) Current tax

Current tax represents the tax currently payable on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Provision for current tax is made at the rate of tax as applicable for the income of the previous year as defined under Income Tax Act,1961.

Minimum Alternate Tax ('MAT') paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and asset can be measured reliably.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities as per Income Tax Act. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Appendix did not have any significant impact on these financial statements of the Company.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

ALIVIRA ANIMAL HEALTH LTD.

b) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realized 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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

No deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate.

Deferred tax relating to items recognized outside the statement of profit or loss is recognized either in other comprehensive income or in equity.

(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. Capital work in process is stated at cost net of accumulated impairment cost if any.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation is recognized to write off the cost of assets (other than freehold land) less their residual values, using the straight-line method, over the useful lives specified in Schedule II to the Companies Act, 2013 except for the following items, where useful life estimated on technical assessment, past trends and differ from those provided in Schedule II of the Companies Act, 2013.

Nature of the Assets	Useful life in years
Buildings	10-60
Furniture and fixtures	5-10
Office equipment's	2-5
Computers	1-6
Plant and machinery	1-15
Vehicles	8

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

Depreciation on additions / deletions to property, plant and equipment is provided prorate from the month of addition / till the month of deletion.

b. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized 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 recognized in the statement of profit and loss as incurred.

c. Derecognition of Property, Plant & Equipment

An item of property, plant and equipment is derecognized 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 recognized 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 amortization and accumulated impairment losses. Amortization is recognized on straight-line basis over the estimated useful lives. The estimated useful life and amortization 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.

b. Internally- generated intangible asset - Research and Development expenditure

Expenditure on research activities is recognized as an expense in the year in which it is incurred.

An internally- generated intangible asset arising from development is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally- generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in the statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally- generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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c. Useful lives of intangible assets

Estimate useful lives of the intangible assets are as follow:

Nature of the Assets	Useful life in years
Marketing rights	5
Intellectual property rights	5
Software	3-5

d. Subsequent costs

Subsequent costs are capitalized 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 recognized in the statement of profit and loss as incurred.

e. Derecognition of intangible assets

An intangible asset is derecognized 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 recognized in the statement of profit and loss.

(ix) Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out basis (FIFO) as follows:

a) Raw materials, packing materials and fuel: At actual purchase cost including other cost incurred in bringing materials / consumables to their present location and condition.

b) Work in process and Intermediates: At material cost, conversion costs and appropriate share of production overheads based on normal capacity.

c) Finished goods: At material cost, conversion costs and an appropriate share of production overheads based on normal capacity.

d) Stock-in-trade: At purchase and other costs incurred in bringing the inventories to their present location and condition.

However, materials and other items held for use in production of inventory are not written down below cost, if the finished product in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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(x) Provisions and contingent liabilities

Provisions are recognized 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 recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the 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 recognized 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 assets are not recognized but are disclosed in the notes to financial statements when economic inflow is probable.

(xi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized 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 asset 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 recognized 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 marketplace (regular way trade) are recognized 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 amortized cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI and fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortized 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.

a) Non-derivative financial assets

(i) Financial assets at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest rate ('EIR') method, less any impairment loss.

Financial assets at amortized cost are represented by trade receivables, security deposits, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

(ii) Equity instruments at fair value through other comprehensive income (FVTOCI)

All equity instruments other than investments in subsidiaries are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognized in OCI. There is no recycling of the amount from OCI to the statement of profit and loss, even on sale of the instrument. However, the Company may transfer the cumulative gain or loss within the equity.

(iii) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair values with all changes in the statement of profit and loss.

(iv) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or the financial assets is transferred and the transfer qualifies for derecognition. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new assets obtained less any new liability assumed) shall be recognized in the statement of profit and loss except for debt and equity instruments carried through FVTOCI which shall be recognized in OCI.

b) Non-derivative financial liabilities

(i) Financial liabilities at amortized cost

Financial liabilities at amortized cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the EIR method.

(ii) Financial liabilities at Fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL are measured at fair value with all changes recognized in the statement of profit and loss.

c) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities. Derivatives are recognized and measured at fair value. Attributable transaction cost are recognized in the statement of profit and loss.

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d) Derecognition of financial Liabilities

The Company derecognizes financial liabilities only when the obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

(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 recognizes impairment loss allowance based on lifetime ECLs at each reporting date, 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 analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized 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 amortized cost, contractual revenue receivable:
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 an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

An impairment loss is recognized in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use.
Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels into cash generating units for which there are separately identifiable cash flows.

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An impairment loss recognized in prior years are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized in previous years.

(xiii) Earnings per share (EPS)

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 equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

(xvi) Share-based compensation

Employee stock option schemes of holding company Sequent Scientific Employees Stock Option Plan 2010 (the Scheme) provides for grant of equity shares of SeQuent Scientific Limited (the holding company) to employees of the Company.
Pursuant to Ind AS 102 'Share-based Payment', the Company recognizes an expense based on the fair value of the stock options as at grant date. The expenses are amortized over the vesting period. The corresponding credit is given to equity because the award represents in substance equity contribution by the Parent Company. The cumulative expense recognized for stock options at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

(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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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:

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- 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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xviii) Exceptional Items

Exception items include income or expense that are considered to be part of ordinary activities, however, are of such significance and nature that separate disclosure enables the user of Financial Statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Company.

(xix) Accounting and reporting of information for Operating Segments

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. Geographical segments are ascertained based on the geographical location of the customers.

2.A 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 recognized 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 recognized in the financial statements is included in the following notes:

a) Useful life of property, plant and equipment and intangible assets

The useful life of the assets is determined in accordance with Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that or is not prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance.

b) Impairment

An impairment loss is recognized for the amount by which an asset's / investments or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

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c) Deferred Tax

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax asset is recognized 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 utilized.

d) 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.

e) 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 the end of the reporting period on the government bonds.

f) 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 financial year.

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3 Property, plant and equipment

Cost	Buildings	Furniture & fixtures	Office equipments	Computers	Plant & machinery	Vehicles	Total
Balance as at 01 April 2023	**627.58**	**11.41**	**8.17**	**29.32**	**1,424.69**	**4.56**	**2,105.73**
Additions	165.36	5.76	2.11	5.56	436.30	-	615.09
Less: Deletions	1.05	0.17	0.14	0.84	11.69	-	13.89
Balance as at 31 March 2024	**791.89**	**17.00**	**10.14**	**34.04**	**1,849.30**	**4.56**	**2,706.93**
Additions	23.22	0.05	1.43	3.04	69.88	-	97.62
Less: Deletions	-	-	0.32	4.83	1.85	-	7.00
Balance as at 31 March 2025	**815.11**	**17.05**	**11.25**	**32.25**	**1,917.33**	**4.56**	**2,797.55**

Accumulated depreciation	Buildings	Furniture & Fixtures	Office equipments	Computers	Plant & machinery	Vehicles	Total
Balance as at 01 April 2023	**178.55**	**7.39**	**7.55**	**17.65**	**959.01**	**3.03**	**1,173.18**
Depreciation expense for the year (refer note 41)	48.64	1.73	0.62	5.74	227.11	0.57	284.41
Less: Deletions	0.32	0.03	0.14	0.84	9.13	-	10.46
Balance as at 31 March 2024	**226.87**	**9.09**	**8.03**	**22.55**	**1,176.99**	**3.60**	**1,447.13**
Depreciation expense for the year (refer note 41)	59.03	1.82	1.20	5.50	239.34	0.57	307.46
Less: Deletions	-	-	0.32	4.80	0.46	-	5.58
Balance as at 31 March 2025	**285.90**	**10.91**	**8.91**	**23.25**	**1,415.87**	**4.17**	**1,749.01**

Carrying amount	Buildings	Furniture & Fixtures	Office equipments	Computers	Plant & Machinery	Vehicles	Total
Balance as at 31 March 2024	565.02	7.91	2.11	11.49	672.31	0.96	**1,259.80**
Balance as at 31 March 2025	**529.21**	**6.14**	**2.34**	**9.00**	**501.46**	**0.39**	**1,048.54**

Notes:
i) Title deeds of all the immovable properties are held in the name of the Company.
ii) Refer note 24 and 28 for charge created on the assets.
iii) Refer note 49 for capital commitments.

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4.a Right-of-Use Assets (ROU)

Cost	Leasehold Land	ROU- Buildings	ROU- Vehicles	Total
Balance as at 01 April 2023	**453.70**	**63.79**	**3.75**	**521.24**
Additions	-	-	-	-
Less: Deletions	-	-	-	-
Less: Assets classified as held for sale (refer note 4.b)	37.42	-	-	37.42
Balance as at 31 March 2024	**416.28**	**63.79**	**3.75**	**483.82**
Additions	-	-	-	-
Less: Deletions	-	1.19	-	1.19
Less: Assets classified as held for sale	-	-	-	-
Balance as at 31 March 2025	**416.28**	**62.60**	**3.75**	**482.63**

Accumulated depreciation	Leasehold Land	ROU- Buildings	ROU- Vehicles	Total
Balance as at 01 April 2023	**19.51**	**26.26**	**0.31**	**46.08**
Depreciation expense for the year (refer note 41)	4.90	6.13	1.17	12.20
Less: Deletions	-	-	-	-
Less: Assets classified as held for sale (refer note 4.b)	2.26	-	-	2.26
Balance as at 31 March 2024	**22.15**	**32.39**	**1.48**	**56.02**
Depreciation expense for the year (refer note 41)	4.53	6.29	0.94	11.76
Less: Deletions	-	0.60	-	0.60
Less: Assets classified as held for sale	-	-	-	-
Balance as at 31 March 2025	**26.68**	**38.08**	**2.42**	**67.18**

Carrying amount	Leasehold Land	ROU- Buildings	ROU- Vehicles	Total
Balance as at 31 March 2024	394.13	31.40	2.27	**427.80**
Balance as at 31 March 2025	389.60	24.52	1.33	**415.45**

4.b Asset held for sale

During the current year, the Company has executed the deed of assignment for the transfer of leasehold rights for Ambernath land for a revised consideration of ₹ 35.20 million and recognized profit of ₹ 0.04 million under the head 'Other Income'. The carrying value of the leasehold land of ₹ 35.16 million was classified as "Asset held for sale" as at 31 March 2024.

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5 Capital-work-in progress

i. Ageing schedule as at 31.03.2025

	Amount in CWIP for a period of				
Capital-work-in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	83.93	-	-	-	83.93
Projects temporarily suspended	-	-	-	-	-

i. Ageing schedule as at 31.03.2024

	Amount in CWIP for a period of				
Capital-work-in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	23.43	-	-	-	23.43
Projects temporarily suspended	-	-	-	-	-

ii. Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2025

	To be completed in				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	70.54	-	-	-	70.54

ii. Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2024

	To be completed in				
Capital-work-in progress	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	17.06	-	-	-	17.06

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6 Goodwill

Allocation of goodwill to cash-generating units

Goodwill has been allocated for impairment testing purposes to the following cash-generating units. The carrying amount of goodwill allocated to cash-generating units is as follows:

	As at 31 March 2025	As at 31 March 2024
Lyka Business	33.85	33.85
Veterinary Formulation Division	35.04	35.04
Total	**68.89**	**68.89**

Goodwill is monitored by the management of the Company at each cash-generating unit (CGU).The Company tests Goodwill for impairment on an annual basis. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections based on financial budgets covering a period of five years. The planning horizon reflects the assumptions for short to mid-term market developments. The key assumptions used for the calculations were as follows:

	As at 31 March 2025	As at 31 March 2024
Discount rate	13.93%	15.23%
Long term growth rate	4%	4%

The management of the company believes that any reasonably possible change in the key assumption on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit. The goodwill is tested for impairment and accordingly no impairment charges were identified for year ended 31 March 2025. (31 March 2024 : Nil).

7 Intangible assets

Cost	Software	Intellectual property rights	Marketing rights	Total
Balance as at 01 April 2023	**24.16**	**322.98**	**389.26**	**736.40**
Additions during the year	11.90	-	-	**11.90**
Balance as at 31 March 2024	**36.06**	**322.98**	**389.26**	**748.30**
Additions during the year	3.58	-	-	**3.58**
Balance as at 31 March 2025	**39.64**	**322.98**	**389.26**	**751.88**

Accumulated amortisation	Software	Intellectual property rights	Marketing rights	Total
Balance as at 01 April 2023	**23.68**	**318.44**	**389.26**	**731.38**
Amortisation expense for the year (refer note 41)	1.25	3.25	-	**4.50**
Balance as at 31 March 2024	**24.93**	**321.69**	**389.26**	**735.88**
Amortisation expense for the year (refer note 41)	3.60	1.29	-	4.89
Balance as at 31 March 2025	**28.53**	**322.98**	**389.26**	**740.77**

Carrying amount	Software	Intellectual property rights	Marketing rights	Total
Balance as at 31 March 2024	11.13	1.29	-	12.42
Balance as at 31 March 2025	11.11	-	-	11.11

8 Intangible assets under development (IAUD)

i. Ageing schedule as at 31.03.2025

Intangible assets under development	Amount In IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.68	-	-	-	0.68

i. Ageing schedule as at 31.03.2024

Intangible assets under development	Amount In IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

ii. Completion schedule for intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2025

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.43	-	-	-	0.43

ii. Completion schedule for intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at 31.03.2024

Intangible assets under development	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

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9 Non-current investments

	As at 31 March 2025	As at 31 March 2024
Investments in subsidiary		
Unquoted equity instruments - carried at cost		
Alivira Animal Health Limited, Ireland	5,601.90	5,519.67
16,681,850 Equity Shares of EURO 1 each fully paid-up (31 March 2024 : 16,681,850 shares) (Refer Note 46.2)		
Total	**5,601.90**	**5,519.67**
Aggregate carrying value of unquoted investments	5,601.90	5,519.67
Aggregate impairment of non-current investments	-	-

Note:
(i) The change in value of investment in subsidiary Alivira Animal Health Limited, Ireland is attributable to the stock options granted by the Holding company to the employees of its step-down subsidiary.
(ii) During the current year, the Company has pledged 100% equity shares of its wholly owned overseas subsidiary (Alivira Animal Health Limited, Ireland), 100% equity shares of step down subsidiaries (Provet Veteriner Urunleri San Ve Tic A S, Turkey and Alivira Saude Animal Brasil Participacoes Ltda, Brazil) and 60% equity shares of its subsidiary (Vila Vina Participacions S.L. , Spain to secure term loan facility of upto ₹ 1,500 million, as per the debt restructuring process approved by the Shareholders of Holding Company on March 07, 2024. Also refer note 24 and note 28.

10 Other Investments

	As at 31 March 2025	As at 31 March 2024
Quoted mutual funds carried at FVTPL (fair value through profit and loss)		
i) Aditya Birla Sun Life Low Duration Fund (Growth-Regular Plan) (31 March 2024 - 8,864.54 units) (face value ₹100 per Unit)	-	5.33
Total	**-**	**5.33**

Note: As at 31 March 2024, the above mutual funds were marked as lien in favour of Aditya Birla Finance Limited in respect of borrowing facilities availed by the Company. The borrowings have been repaid during the year and the mutual funds are redeemed.

11 Non-current loans

	As at 31 March 2025	Maximum Balance during the year	As at 31 March 2024	Maximum Balance during the year
Unsecured, considered good				
Loan to related parties (refer note 46.3)				
-Alivira Animal Health Limited, Ireland	1,235.84	1,235.84	1,080.23	1,080.23
Total	**1,235.84**	**1,235.84**	**1,080.23**	**1,080.23**

Notes:
i) The above loan is given for business purposes and also includes interest accrued upto 31.03.2025 ₹ 642.89 (31 March 2024: ₹ 517.18).
ii) The above disclosure is pursuant to Section 186 (4) of the Companies Act, 2013
iii) Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013) is as below:

Loans & Advances given which are repayable on demand or without specifying any terms or period of repayment to following person:

Type of Borrower	As at 31 March 2025				As at 31 March 2024	
	Amount outstanding	% of Total	Interest rate range between	Amount outstanding	% of Total	Interest rate range between
a) Amount repayable on demand						
-Alivira Animal Health Limited, Ireland	1,235.84	100%	8.57% to 11.35% p.a.	1,080.23	100%	7.92% to 8.64% p.a.

12 Other non-current financial assets

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Security deposits	16.95	15.15
Margin money deposits	0.09	-
Total	**17.04**	**15.15**

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13 Deferred tax assets (net) (refer note 44)

	As at 31 March 2025	As at 31 March 2024
Deferred tax (liabilities)		
- Temporary differences on account of unamortised borrowing costs	(12.80)	-
- Temporary differences on account of depreciation	-	(29.62)
Total deferred tax (liabilities) (A)	(12.80)	(29.62)
Deferred tax assets		
- Expenses allowable on payment basis	33.34	31.89
- Temporary differences on account of depreciation	5.10	-
- Temporary differences on account of leases	2.33	-
- Temporary disallowance on account of provisions	-	37.07
- Unabsorbed Depreciation and carry forward of losses	517.20	250.54
- MAT Credit Entitlement	119.34	119.34
Total deferred tax assets (B)	677.30	438.84
Total (A) + (B)	**664.51**	**409.22**

14 Income tax assets (net)

	As at 31 March 2025	As at 31 March 2024
Advance income tax (net of provisions : ₹107.61) (31 March 2024 : ₹165.28)	27.30	23.71
Total	**27.30**	**23.71**

15 Other non-current assets

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Subsidy Receivable	31.56	35.21
Prepaid expenses	13.56	13.93
Capital advances	0.39	0.14
Other deposits	1.50	1.50
	47.01	**50.78**

16 Inventories

	As at 31 March 2025	As at 31 March 2024
Raw materials and packing materials	172.82	157.88
Goods-in transit (inward)	4.97	14.15
	177.79	**172.03**
Work-in-progress and intermediates	**426.07**	**330.01**
Finished goods	352.03	441.04
Stock-in-trade	150.73	126.13
	502.76	**567.17**
Stock in transit (outward)	95.19	44.93
Fuel	2.47	3.21
Total Inventories (Lower of cost and net realisable value)	**1,204.28**	**1,117.35**

Note:
During the year ended 31 March 2025, ₹ 89.48 (31 March 2024: ₹ 64.23) net was recognised as an expense towards provision for slow moving, expired, near expiry inventories and impact of inventories carried at net realisable value.

17 Trade receivables

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good	699.83	761.94
Unsecured, considered good (related party)	112.03	394.45
Unsecured, credit impaired	5.19	16.74
	817.05	**1,173.13**
Impairment allowance (allowance for bad and doubtful debts)		
Less: Allowance for doubtful trade receivables	5.19	16.74
Total	**811.86**	**1,156.39**

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a. Trade Receivables ageing as at 31.03.2025

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	571.88	236.67	2.73	0.58	-	-	**811.86**
- credit impaired	1.40	0.69	1.00	0.01	-	0.55	**3.65**
(ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	0.07	0.06		1.41	**1.54**
Total	**573.28**	**237.36**	**3.80**	**0.65**	**-**	**1.96**	**817.05**

b. Trade Receivables ageing as at 31.03.2024

Particulars	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables							
- considered good	844.84	116.13	135.81	57.53	2.04	0.04	**1,156.39**
- credit impaired	-	7.92	0.74	0.26	-	-	**8.92**
(ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	0.15	0.09	5.98	1.60	**7.82**
Total	**844.84**	**124.05**	**136.70**	**57.88**	**8.02**	**1.64**	**1,173.13**

Notes:

1. No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in Note 46.3
2. Refer note 55.3 for terms and other details
3. There are no unbilled trade receivables, hence the same is not disclosed in ageing schedule.

18 Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Balances with banks		
- In current accounts	7.14	7.46
Cash on hand	0.58	0.37
Cheques on hand	2.25	0.54
Total	**9.97**	**8.37**
Cash and cash equivalents as defined in Ind AS 7 "Statements of Cash Flows"	**9.97**	**8.37**

19 Bank balances other than (note 18) above

	As at 31 March 2025	As at 31 March 2024
In earmarked accounts		
- Margin money deposits	60.00	0.09
Total	**60.00**	**0.09**

Note: Balance in margin money deposits are marked as lien with bank.

20 Other current financial assets

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Export incentive receivables	5.71	1.94
Foreign exchange forward contracts at FVTPL	1.75	-
Interest accrued on fixed deposits	3.67	0.02
Others	0.50	-
Total	**11.63**	**1.96**

21 Other current assets

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Advance to suppliers	25.34	26.06
Balances with government authorities	79.01	75.91
Prepaid expenses	17.01	6.32
Others	1.07	2.55
Total	**122.43**	**110.84**

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	As at 31 March 2025		As at 31 March 2024	
	No. of Shares	Amount	No. of Shares	Amount
22 Equity share capital				
(a) Authorised				
Equity shares of ₹10 each	15,80,00,000	1,580.00	15,80,00,000	1,580.00
(b) Issued, subscribed and fully paid-up				
Equity shares of ₹10 each	4,77,76,470	477.76	4,77,76,470	477.76
Total		**477.76**		**477.76**

Notes:

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

Fully paid equity shares	No. of Shares	Amount
Balance as at 1 April 2023	4,77,76,470	477.76
Share issued during the year	-	-
Balance as at 31 March 2024	**4,77,76,470**	**477.76**
Share issued during the year	-	-
Balance as at 31 March 2025	**4,77,76,470**	**477.76**

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. Each equity shareholder is entitled to dividend in the Company. The dividend proposed by Board of directors is subject to approval of the shareholders in the ensuing annual general meeting.

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 holding company & promoter

	As at 31 March 2025		As at 31 March 2024	
Name of the shareholder & promoter	**No. of shares held**	**% of holding**	**No. of shares held**	**% of holding**
SeQuent Scientific Limited and its nominees	4,77,76,470	100%	4,77,76,470	100%

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

Equity shares

	As at 31 March 2025		As at 31 March 2024	
Name of the shareholder	**No. of shares held**	**% of holding**	**No. of shares held**	**% of holding**
SeQuent Scientific Limited and its nominees	4,77,76,470	100%	4,77,76,470	100%

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		As at 31 March 2025	As at 31 March 2024
23	**Other equity**		
	Retained earnings	(930.39)	(409.88)
	Securities premium account	4,230.73	4,230.73
	Contribution from Parent Company	411.35	329.12
	Other reserves	71.12	82.30
	General reserve	54.24	54.24
	Total	**3,837.05**	**4,286.51**

(a) Retained earnings

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	(409.88)	93.11
Add: Profit / (loss) during the year	(517.50)	(499.98)
Add: Other comprehensive income / (expense)	(3.01)	(1.11)
Less: Fair value gain on Corporate guarantee	-	(1.90)
Balance at the end of the year	**(930.39)**	**(409.88)**

(b) Securities premium account

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	4,230.73	4,230.73
Balance at the end of the year	**4,230.73**	**4,230.73**

(c) Contribution from Parent Company

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	329.12	273.85
Add: Employee stock option expenses for employees of subsidiaries	82.23	55.27
Balance at the end of the year	**411.35**	**329.12**

(d) Other reserves

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	82.30	61.28
Add: Fair value of corporate guarantee received from holding company in respect of borrowings	(11.18)	21.02
Balance at the end of the year	**71.12**	**82.30**

(e) General reserve

	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	54.24	54.24
Balance at the end of the year	**54.24**	**54.24**

Nature and purpose of Reserves

(a) Retained earnings
Retained earnings are the profits / (loss) that the Company has earned / incurred till the date, less any transfers to general reserve and dividends or other distributions paid to shareholders.

(b) Securities premium account
Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued. The reserves can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) Contribution from Parent Company
This relate to employee stock options of the Parent Company, granted by the Parent Company to specific employees of the Company and its subsidiaries under its employee share based payment arrangement.

(d) Other reserves
The Company has availed certain loans from financial institutions / banks which have been guaranteed by SeQuent Scientific Limited, the Parent Company, at no consideration. Other reserves represents fair value of these services availed from the Parent Company.

(e) General reserve
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

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24 Non-current borrowings

	As at 31 March 2025	As at 31 March 2024
Secured term loans - at amortised cost		
From banks (refer note 28)	1,063.38	82.82
From other parties / financial institutions	-	313.25
Unsecured term loan - at amortised cost		
From related parties (refer note 46.3)	3,967.51	3,732.92
Total	**5,030.89**	**4,128.99**

(i) The above term loan facility is secured by way of a first pari passu charge on fixed assets of the Company located at Visakhapatnam and second charge on the current assets of the Company. The above loan is also secured by guarantee provided by Sequent Scientific Limited (Holding Company) jointly and severally with Alivira Animal Health Limited, Ireland (wholly owned overseas subsidiary). Also refer Note 9.

(ii) The interest on term loans from banks / financial institutions are floating in nature which ranges from 10.61% p.a. to 11.35% p.a. (31 March 2024: 9.40% p.a. to 11.00% p.a.).

(iii) The interest on loan from related parties are floating in nature which ranges from 9.80% p.a. to 10.10% p.a. (31 March 2024: 9.70% p.a. to 9.97% p.a.).

25 Financial liabilities - Lease liabilities (non-current)

	As at 31 March 2025	As at 31 March 2024
Lease liabilities (refer Note 52)	81.88	91.49
Total	**81.88**	**91.49**

26 Non-current provisions

	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits		
Gratuity (refer note 48)	42.86	32.08
Compensated absences (refer note below)	21.64	18.29
Other	6.33	5.70
Total	**70.83**	**56.07**

Note:
The provision for compensated absences includes annual leave and vested long service leave entitlement accrued.

27 Other non-current liabilities

	As at 31 March 2025	As at 31 March 2024
Corporate guarantee liability	-	1.27
Total	**-**	**1.27**

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28 Current borrowings

	As at 31 March 2025	As at 31 March 2024
Loans repayable on demand		
Secured loan - at amortised cost		
From banks / financial institution [refer note (i) and (ii) below]	609.08	1,194.51
Current maturities of long-term borrowings [refer note (iii) below]	-	65.70
Unsecured loan - at amortised cost		
From financial institution [refer note (i) below]	116.56	-
Total	**725.64**	**1,260.21**

Notes:

(i) Refer Note 29 (iii) on disclosures related to financing arrangements with financial institutions in respect of payments to certain suppliers of the Company.

(ii) The interest rate on Working Capital loans are floating in nature which ranges from 6.51% p.a. to 10.14% p.a. (31 March 2024: 8.09% p.a. to 9.97% p.a.).

(iii) The details of interest rates, repayment terms, securities, guarantees and others terms are disclosed under note 24. Details of current maturities of long-term debt are as below:

	As at 31 March 2025	As at 31 March 2024
Secured term loan (current maturities of long term debt)		
The Hongkong and Shanghai Banking Corporation Limited, India:	-	36.81
Tata Capital Financial Services Limited:	-	12.50
Aditya Birla Finance Limited:	-	16.39
Total	-	**65.70**

(iv) As at 31 March 2025, there is no breach of financial covenants. As at 31 March 2024, there was breach of financial covenants attached to the borrowings availed by the Company, on which the Holding Company had provided corporate guarantee to the lenders. The Company had obtained waivers to these covenants from the bankers / financial institutions and have also repaid these borrowings during the year ended 31 March 2025.

29 Trade payables

	As at 31 March 2025	As at 31 March 2024
Total outstanding dues of micro enterprises and small enterprises (refer note 50)	80.84	65.36
Total outstanding dues of creditors other than micro enterprises and small enterprises	949.03	736.89
Total	**1,029.87**	**802.25**
Trade payables	498.10	569.48
Trade payables to related parties (Refer Note 46.3)	531.77	232.77
Total	**1,029.87**	**802.25**

a. Trade payable ageing as at 31.03.2025

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables							
-Micro enterprises and small enterprises (MSME)	-	80.84	-	-	-	-	80.84
-Others	179.41	404.70	361.04	3.88	-	-	949.03
Disputed Trade Payables							
-Micro enterprises and small enterprises	-	-	-	-	-	-	-
-Others	-	-	-	-	-	-	-
Total	**179.41**	**485.54**	**361.04**	**3.88**	-	-	**1,029.87**

b. Trade payable ageing as at 31.03.2024

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Payables							
-Micro enterprises and small enterprises	-	65.36	-	-	-	-	65.36
-Others	156.09	182.29	358.41	32.63	-	7.32	736.74
Disputed Trade Payables							
-Micro enterprises and small enterprises	-	-	-	-	-	-	-
-Others	-	-	-	-	-	0.15	0.15
Total	**156.09**	**247.65**	**358.41**	**32.63**	-	**7.47**	**802.25**

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Notes:

(i) Trade payables (other than due to micro and small enterprises) are non-interest bearing and are normally settled in 30 - 120 days.

(ii) The Company's exposures to currency and liquidity risks related to trade payables is disclosed in note 55.

(iii) The Company has entered into an agreement with financial institutions for the supply chain financing arrangement. As per the arrangement, the suppliers may elect to factor their receivable from the Company and receive the payment due from the financial institutions before the due date. As per the arrangement, the financial institutions agrees to pay amounts which Company owes to it's suppliers and the Company agrees to pay the financial institutions at a date later than suppliers are paid.

The nature and function of the liabilities remain the same even after factoring as the Company is neither legally released from its original obligation to the supplier nor the terms of the original liability are amended in a way that is considered a substantial modification. Hence, the Company has not derecognised the liabilities which are factored by the suppliers and disclosed the said amount within trade payables. Further, no additional interest has been paid by the Company on the amounts due to the suppliers. The payable under supply chain financing arrangement amounts to ₹ 3.95 million as at 31 March 2025 (31 March 2024: ₹ 44.23 million).

Apart from the above, the Company has also entered into arrangements wherein the financial institutions to smoothen the payment process of the suppliers, wherein the Company requests the financial institutions to make payments on the due date agreed with the suppliers and the Company pays to the financial institutions at the end of the extended period of payment. In this case, the Company derecognizes the liabilities towards the suppliers on the date of payment by the financial institutions to the suppliers and recognizes the amounts paid within Borrowings. During the year ended March 31, 2025, the Company has recognized interest expense amounting to ₹ 11.79 million (31 March 2024: ₹ 13.57 million) under the aforementioned arrangement. The payable to the financial institution amounts to ₹ 116.56 million (31 March 2024: ₹ 222.83 million) under this arrangement which has been recognized under "Short Term Borrowings" in the financial statements.

30 Other current financial liabilities

	As at 31 March 2025	As at 31 March 2024
Interest accrued but not due on borrowings	3.85	6.32
Foreign exchange forward contracts at FVTPL	-	1.57
Employee benefits payable	88.22	75.54
Payables on purchase of property, plant and equipment	12.74	8.85
Others	2.67	5.35
Total	**107.48**	**97.63**

31 Financial liabilities - Lease liabilities (current)

	As at 31 March 2025	As at 31 March 2024
Lease liabilities (Refer Note 52)	8.35	7.20
Total	**8.35**	**7.20**

32 Current provisions

	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits		
Gratuity (refer note 48)	5.55	6.59
Compensated absences	13.17	13.85
Other	8.45	6.55
Total	**27.17**	**26.99**

33 Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Statutory remittances	28.07	27.43
Advances from customers	15.48	43.19
Unamortised income related to corporate guarantee commission	1.90	-
Advances against assets classified as held for sale (refer note 4b)	-	19.60
Total	**45.45**	**90.22**

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34 Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of products *	3,618.22	3,715.31
Sale of Services	29.70	42.92
Other operating revenues		
Sale of scrap	19.74	14.87
Duty drawback and other export incentives	13.76	11.10
Total	**3,681.42**	**3,784.20**

* During the year ended 31 March 2025, the company has recorded claim from a customer of ₹ 73.60 million which is netted from revenue from operations. The company has intimated the Insurance Company for the claim.

Notes

(i) Sale of product comprises		
(a) Manufacturing goods		
Bulk drugs	1,960.72	2,036.06
Formulations	43.57	228.46
Total - Sale of manufactured products	**2,004.29**	**2,264.52**
(b) Traded goods		
Bulk drugs	492.18	485.84
Formulations	1,121.75	964.95
Total - Sale of traded goods	**1,613.93**	**1,450.79**
Total - Sale of products	**3,618.22**	**3,715.31**
(ii) Sale of services comprises		
Research & development services	26.90	39.72
Miscellaneous receipts	2.80	3.20
Total - Services provided	**29.70**	**42.92**

Disaggregated revenue disclosure

- The company disaggregates the revenue based on geographic locations and it is disclosed under note 47 Segment Reporting.

Trade receivables and contract balances

- The company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is the right to consideration that is unconditional upon passage of time. Revenue for contracts with customers are recognized at a point in time when the company transfers control over the product to the customers.
- The performance obligation in relation to services is satisfied when related services are performed.

(iii) Contract Balances:		
Trade receivables (refer note 17)	811.86	1,156.39
Contract liabilities (refer note 33)	(15.48)	(43.19)
	796.38	**1,113.20**

Contract liabilities include short-term advances received from customers for sale of products / services.

(iv) Reconciliation of revenue from sale of products and services with the contracted price:		
Contracted price	3,729.33	3,843.74
Less: trade discounts and sales returns	81.41	85.51
Sale of products and services	**3,647.92**	**3,758.23**
(v) Timing of revenue recognition:		
Revenue recognized at a point of time	3,618.22	3,715.31
Revenue recognized over the time	29.70	42.92
Revenue from contract with customer	**3,647.92**	**3,758.23**

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35 Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income (refer note (i) below)	134.52	70.55
Net gain on foreign currency transactions and translation	29.73	21.91
Gain on sale of property, plant and equipment	0.28	1.30
Corporate guarantee commission	9.32	10.05
Fair value gain on financial instruments at fair value through profit or loss	-	0.23
Gain on sale of mutual funds	0.18	-
Cross charge of corporate costs	59.25	69.39
Provision for doubtful debts no longer required written back	4.72	-
Miscellaneous income*	9.64	5.36
Total	**247.64**	**178.79**

* Includes write back of liabilities no longer payable amounting to ₹ 4.95 for the year ended 31 March 2025 in respect of estimated provision created for delayed payments to MSME vendors.

(i) Interest income comprises:

Interest on:		
Loans to related parties (refer note 46.2)	125.71	69.66
Bank deposits	4.08	0.03
Other	4.73	0.86
Total	**134.52**	**70.55**

36 Cost of materials consumed

	Year ended 31 March 2025	Year ended 31 March 2024
Opening stock	172.03	207.05
Add: Purchases	951.01	1,214.01
Less: Closing stock	177.79	172.03
Total	**945.25**	**1,249.03**

37 Purchases of stock-in-trade

	Year ended 31 March 2025	Year ended 31 March 2024
Purchases of stock-in-trade	1,010.92	1,005.99
Total	**1,010.92**	**1,005.99**

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38 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	Year ended 31 March 2025	Year ended 31 March 2024
Opening stock		
Work-in-progress and intermediates	330.01	272.01
Finished goods (including stock-in-trade)	615.31	367.73
	945.32	**639.74**
Closing stock		
Work-in-progress and intermediates	426.07	330.01
Finished goods (including stock-in-trade)	600.42	615.31
	1,026.49	**945.32**
Net (increase) / decrease	**(81.17)**	**(305.58)**

39 Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries and wages	655.03	631.93
Contributions to provident fund, gratuity and other funds (refer note 48)	42.85	42.03
Share-based payments to employees (refer note 54)	136.73	92.80
Staff welfare expenses	24.57	20.56
Total	**859.18**	**787.32**

40 Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expense on borrowings	582.90	478.76
Interest expense on leases liabilities (Refer note 52)	9.37	10.14
Other borrowing costs	40.94	38.44
Total	**633.21**	**527.34**

41 Depreciation and amortisation expense

	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation on tangible assets	307.46	284.41
Depreciation on right-of-use assets	11.76	12.20
Amortization of intangible assets	4.89	4.50
Total	**324.11**	**301.11**

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42 Other expenses

	Year ended 31 March 2025	Year ended 31 March 2024
Power, water and fuel	147.47	159.23
Travelling and conveyance	74.50	64.70
Communication expenses	5.77	5.69
Consumables	118.97	109.40
Conversion and processing charges	108.65	134.71
Contract labour charges	27.32	23.36
CSR expenses (refer note 51)	-	1.87
Legal and professional charges	89.62	108.79
Freight and forwarding	101.44	76.30
Rent	6.07	7.00
Analytical charges	74.11	57.19
Repairs and maintenance		
Buildings	9.17	21.63
Machinery	46.88	61.00
Others	16.81	16.87
Insurance	24.17	28.41
Commission on sales	36.75	32.87
Advertisement and selling expenses	58.69	44.16
Rates and taxes	8.69	4.84
Payments to auditors (refer note (i) below)	3.19	4.45
Bad trade receivables written off	-	0.61
Allowance doubtful trade receivable	-	4.71
Property, plant and equipment written off	0.01	1.64
Miscellaneous expense	41.19	32.06
Total	**999.47**	**1,001.49**

Note:

(i) Payments to the auditors comprises (net of Goods and Services Tax credit):

As auditors - statutory audit	3.09	3.90
Fees for certifications and other services	0.04	0.27
Reimbursement of expenses	0.06	0.28
	3.19	**4.45**

43 Exceptional Items

	Note no.	Year ended 31 March 2025	Year ended 31 March 2024
One time settlement cost	a	40.00	-
(Reversal) / Expenses related to operations restructuring drive	b	(31.89)	232.57
Insurance claim received for loss by fire	c	-	(80.67)
Total		**8.11**	**151.90**

Note:

(a) During the year ended 31 March 2025, the Company has provided for an amount of ₹ 40 million by way of one-time settlement of the disputes in relation to its leasehold land situated at Visakhapatnam.

(b) During the year ended 31 March 2025, based on confirmation from vendor, the Company has reversed provision by ₹31.89 million related to domain expert advisory fees towards revamping of manufacturing and procurement processes, in respect of which expense of ₹ 232.57 million was recorded for the previous year ended 31 March 2024.

(c) The Company had received an insurance claim of ₹ 80.67 million for loss due to an incident of fire at Company's API facility in Visakhapatnam.

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44 Reconciliations of tax expenses and details of deferred tax balances

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

	Year ended 31 March 2025	Year ended 31 March 2024
i) Income tax expense recognised in the statement of profit and loss		
Current tax	-	-
Adjustment of income tax relating to earlier periods	1.16	(1.40)
Total (I)	1.16	(1.40)
Deferred Tax charge / (credit)		
Origination and reversal of temporary differences	(253.68)	(254.23)
Total (II)	(253.68)	(254.23)
Total (III = I+II)	**(252.52)**	**(255.63)**
ii) Tax expense recognized in other comprehensive income		
Re-measurement (gains) / losses on defined benefit plans	(1.61)	(0.59)
Total (IV)	**(1.61)**	**(0.59)**
Total (III+IV)	**(254.13)**	**(256.22)**

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 Company is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Profit / (loss) before tax	(770.02)	(755.61)
Statutory income tax rate	34.94%	34.94%
Tax as per applicable tax rate	**(269.08)**	**(264.04)**
Differences due to:		
- Expenses disallowed for tax purposes	13.98	(1.34)
- Others	2.58	9.75
Income tax expenses charged to the statement of profit and loss	**(252.52)**	**(255.63)**
Effective tax rate	**32.79%**	**33.83%**

C) Movement in deferred tax assets and liabilities

	As at 1 April 2024	Credit / (charge) in the statement of profit and loss	Credit / (charge) in other comprehensive income	As at 31 March 2025
Deferred tax asset / (liabilities) (Net)				
- Temporary differences on account of depreciation	(29.62)	34.72	-	5.10
- Expenses allowable on payment basis	31.89	(0.16)	1.61	33.34
- Unabsorbed Depreciation and carry forward of losses	250.54	266.66	-	517.20
- Temporary disallowance on account of provisions	37.07	(37.07)	-	-
- Temporary differences on account of unamortised borrowing costs	-	(12.80)	-	(12.80)
- Temporary differences on account of leases	-	2.33	-	2.33
- MAT credit entitlement	119.34	-	-	119.34
Total	**409.22**	**253.68**	**1.61**	**664.51**

	As at 01 April 2023	Credit / (charge) in the statement of profit and loss	Credit in other comprehensive income	As at 31 March 2024
Deferred tax asset / (liabilities) (Net)				
- Temporary differences on account of depreciation	(25.55)	(4.07)	-	(29.62)
- Expenses allowable on payment basis	27.84	3.46	0.59	31.89
- Unabsorbed Depreciation and carry forward of losses	32.77	217.77	-	250.54
- Temporary disallowance on account of provisions	-	37.07		37.07
- MAT credit entitlement	119.34	-	-	119.34
Total	**154.40**	**254.23**	**0.59**	**409.22**

D) The Company has not opted for section 115BAA introduced under Taxation Law (Amendment) Ordinance, 2019, considering the accumulated MAT credit, tax losses and other benefits available under the Income Tax Act, 1961.

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45 Earnings per share

Profit / (loss) attributable to equity shareholders

	Year ended 31 March 2025	Year ended 31 March 2024
Profit / (loss) for the year attributable to equity holders of the Company	(517.50)	(499.98)
Profit / (loss) attributable to equity shareholders for basic and diluted earnings	**(517.50)**	**(499.98)**

Weighted average number of equity shares

	Year ended 31 March 2025	Year ended 31 March 2024
Weighted average number of equity shares at end of the year for basic and diluted EPS*	4,77,76,470	4,77,76,470

	Year ended 31 March 2025	Year ended 31 March 2024
Basic earnings per share (in ₹)	(10.83)	(10.46)
Diluted earnings per share (in ₹)	(10.83)	(10.46)

* Earning per share (EPS)

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ALIVIRA ANIMAL HEALTH LTD. ★

46 Related party transactions

46.1 List of related parties

(I) Related parties where control exists

a) Ultimate Holding Company
CA Harbor Investments

b) Holding Company
SeQuent Scientific Limited

c) Subsidiaries

Wholly-owned subsidiary:
Alivira Animal Health Limited, Ireland

Step down subsidiaries:
Provet Veteriner Ürünleri San. Ve Tic. A. Ş.
Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.
Fendigo SA
Fendigo BV
N-Vet AB
Alivira Saude Animal Brasil Participacoes Ltda
Alivira Saude Animal Ltda., Brazil (formerly known as Evance Saude Animal Ltda)
Laboratorios Karizoo, S.A.
Laboratorios Karizoo, S.A. DE C.V. (Mexico)
Comercial Vila Veterinaria De Lleida S.L. (upto 16 June 2023)
Phytotherapic Solutions S.L
Vila Viña Participacions S.L.
Alivira France S.A.S (liquidated on 24 March 2024)
Bremer Pharma GmbH
Expeden Distribuidora De Produtos Veterinarios Ltda (formerly known as Evanvet Distribuidora De Produtos Veterinarios Ltda)
Alivira Italia S.R.L.
Alivira Animal Health USA LLC
Alivira Animal Health UK Ltd

(II) Other related parties with whom transactions have taken place during the year

(a) Key management personnel
Mr. Rajaram Narayanan, Chief Executive Officer & Managing Director
Mr. Sharat Narasapur, Joint Managing Director (till 30 April 2024)
Mr. Sharat Narasapur, Non-executive Director (w.e.f 01 May 2024)
Mr. P V Raghavendra Rao, Chief Financial Officer (till 25 October 2023)
Mr. Saurav Bhala, Chief Financial Officer (w.e.f. 06 November 2023)
Mr. Nihar Ranjan Das, Company Secretary
Dr. Kamal Sharma, Independent Director
Ms. Vijayalakshmi Vaithianathan, Non- Executive Director
Mr. Vedprakash R Ragate, Director (w.e.f. 06 April 2024)

b) Fellow subsidiaries:
SeQuent Research Limited

c) Other entities in which ultimate holding company have control or significant influence/ entities with common directors:
Viyash Life Sciences Private Limited
Symed Labs Limited

Note:
i) All the transactions entered with related parties are in the ordinary course of business and on arm's length basis

Above mentioned provides the information about the Company's structure including the details of the subsidiaries and the holding company. The following table provides transactions that have been entered into with related parties for the relevant financial year:

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46 Related party transactions

46.2 Transactions for the year

	Holding Company		Wholly-owned subsidiary		Step down subsidiaries		Fellow subsidiaries		Key management personnel and their relatives		Other entities in which holding company have control or significant influence/ entities with common directors	
	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
Sale of materials / services												
SeQuent Scientific Limited	106.15	14.30	-	-	-	-	-	-	-	-	-	-
Topkim Topkapi Ilaç premiks Sanayi Ve Ticaret A.Ş.	-	-	-	-	2.36	0.35	-	-	-	-	-	-
Laboratorios Karizoo, S.A.	-	-	-	-	6.81	2.49	-	-	-	-	-	-
Alivira Animal Health Limited, Ireland	-	-	304.39	245.17	-	-	-	-	-	-	-	-
Bremer Pharma GmbH	-	-	-	-	-	0.99	-	-	-	-	-	-
Alivira Saude Animal Ltda.	-	-	-	-	69.71	-	-	-	-	-	-	-
Interest and other income												
Alivira Animal Health Limited, Ireland (*)	-	-	125.71	69.66	-	-	-	-	-	-	-	-
Sale of Scrips												
SeQuent Scientific Limited	-	1.22	-	-	-	-	-	-	-	-	-	-
Interest expenses												
SeQuent Scientific Limited (**)	376.07	340.87	-	-	-	-	-	-	-	-	-	-
SeQuent Research Limited (**)	-	-	-	-	-	-	2.63	5.19	-	-	-	-
Purchase of materials / consumables												
SeQuent Scientific Limited	579.49	815.59	-	-	-	-	-	-	-	-	-	-
Provet Veteriner Ürünleri San. Ve Tic. A. Ş.	-	-	-	-	7.10	9.85	-	-	-	-	-	-
Symed Labs Limited	-	-	-	-	-	-	-	-	-	-	23.02	5.04
Viyash Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	-	2.17	-
Professional fees expenses												
Alivira Animal Health Limited, Ireland	-	-	4.66	5.26	-	-	-	-	-	-	-	-
Processing and conversion charges incurred												
SeQuent Scientific Limited	76.49	102.60	-	-	-	-	-	-	-	-	-	-
Reimbursement of expenses from / (To)												
SeQuent Scientific Limited	(0.40)	(0.66)	-	-	-	-	-	-	-	-	-	-
Alivira Animal Health Limited, Ireland	-	-	2.60	9.49	-	-	-	-	-	-	-	-
Alivira Saude Animal Ltda.	-	-	-	-	-	4.38	-	-	-	-	-	-
Purchase of fixed assets												
SeQuent Research Limited	-	-	-	-	-	-	-	0.47	-	-	-	-
SeQuent Scientific Limited	-	2.67	-	-	-	-	-	-	-	-	-	-
Viyash Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	-	0.30	-
Symed Labs Limited	-	-	-	-	-	-	-	-	-	-	0.72	-
Sale of fixed assets												
SeQuent Scientific Limited	-	2.52	-	-	-	-	-	-	-	-	-	-
Managerial remuneration (***)												
Mr. Rajaram Narayan (#)												
Short-term benefits	-	-	-	-	-	-	-	-	29.36	12.43	-	-
Mr. Sharat Narsapur												
Short-term benefits	-	-	-	-	-	-	-	-	6.03	13.86	-	-
Termination benefits	-	-	-	-	-	-	-	-	3.80	-	-	-
									9.83	**13.86**		
Mr. Vedprakash Ragate (##)												
Short-term benefits	-	-	-	-	-	-	-	-	15.97	-	-	-
Share based payment (###)	-	-	-	-	-	-	-	-	2.05	-	-	-
									18.02	-		
Mr. Nihar Ranjan Das												
Short-term benefits	-	-	-	-	-	-	-	-	2.30	2.18	-	-

(*) Interest income for the year is receivable as on the reporting date and has been included in the loan receivable amount

(**) Interest expense for the year is outstanding as on the reporting date and has been included in the loan payable amount.

(***) Expenses towards gratuity and compensated absences provisions are determined actuary on an overall company basis at the end of each year and accordingly have not been considered in the above information.

(#) The managerial remuneration is approved by the board of directors on 14 June, 2024 and by the shareholders in EGM on 19 June, 2024.

(##) The managerial remuneration is approved by the board of directors on 06 April, 2024 and by the shareholders in AGM on 16 September, 2024.

(###) Represents the perquisite value of stock options exercised during the year and does not include the fair value of options granted (vested / unvested) but not exercised upto 31 March 2025.

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Notes to the financial statements for the year ended 31 March 2025
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46 Related party transactions

46.2 Transactions for the year

	Holding Company		Wholly-owned subsidiary		Step down subsidiaries		Fellow subsidiaries		Key management personnel and their relatives		Other entities in which holding company have control or significant influence/ entities with common directors	
	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
Director sitting fees												
Dr. Kamal K Sharma	-	-	-	-	-	-	-	-	0.60	0.70	-	-
Mr. Sharat Narsapur	-	-	-	-	-	-	-	-	0.50	-	-	-
Analytical charges												
SeQuent Research Limited	-	-	-	-	-	-	56.89	35.62	-	-	-	-
Payment towards lease obligation												
SeQuent Scientific Limited	10.85	10.46	-	-	-	-	-	-	-	-	-	-
Guarantee commission income												
Alivira Animal Health Limited, Ireland	-	-	2.01	4.72	-	-	-	-	-	-	-	-
SeQuent Scientific Limited	7.44	1.90	-	-	-	-	-	-	-	-	-	-
Bremer Pharma GmbH	-	-	-	-	-	0.11	-	-	-	-	-	-
Alivira Saude Animal Ltda.	-	-	-	-	0.35	3.32	-	-	-	-	-	-
Guarantee commission expenses												
SeQuent Scientific Limited	22.68	15.74	-	-	-	-	-	-	-	-	-	-
Additional / (reduction) of guarantee given / received during the year (net)												
SeQuent Scientific Limited	(83.11)	106.00	-	-	-	-	-	-	-	-	-	-
Alivira Saude Animal Ltda.	-	-	-	-	(1,130.76)	(155.00)	-	-	-	-	-	-
Bremer Pharma GmbH	-	-	-	-	-	(89.61)	-	-	-	-	-	-
Alivira Animal Health Limited, Ireland	-	-	1,153.64	-	-	-	-	-	-	-	-	-
Employee Stock Option expenses												
SeQuent Scientific Limited	136.73	92.80	-	-	-	-	-	-	-	-	-	-
Corporate Cross Charge Income												
SeQuent Scientific Limited	39.69	43.50	-	-	-	-	-	-	-	-	-	-
Alivira Animal Health Limited, Ireland	-	-	17.99	15.97	-	-	-	-	-	-	-	-
SeQuent Research Limited	-	-	-	-	-	-	1.57	9.92	-	-	-	-
Cross Charge Expense												
SeQuent Scientific Limited	46.39	33.95	-	-	-	-	-	-	-	-	-	-
Loans given by the Company												
Alivira Animal Health Limited, Ireland	-	-	-	479.81	-	-	-	-	-	-	-	-
Loans repaid to the company												
SeQuent Scientific Limited	81.50	-	-	-	-	-	-	-	-	-	-	-
SeQuent Research Limited	-	-	-	-	-	-	24.75	15.30	-	-	-	-
Borrowings												
SeQuent Scientific Limited	-	160.00	-	-	-	-	-	-	-	-	-	-
Investment (Increase due to ESOP cost, refer note 9.1)												
Alivira Animal Health Limited, Ireland	-	-	82.23	55.27	-	-	-	-	-	-	-	-

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46 Related party transactions

46.3 Balance as at balance sheet date

	Holding Company		Wholly-owned subsidiary		Step down subsidiaries		Fellow subsidiaries		Key management personnel and their relatives		Other entities in which holding company have control or significant influence/ entities with common directors	
	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024	Year ended 31 March 2025	Year ended 31 March 2024
(i) Trade receivables												
Alivira Animal Health Limited, Ireland	-	-	68.64	336.45	-	-	-	-	-	-	-	-
Laboratorios Karizoo, S.A.	-	-	-	-	2.30	2.57	-	-	-	-	-	-
Bremer Pharma GmbH					-	3.39	-	-	-	-	-	-
Alivira Saude Animal Ltda	-	-	-	-	39.38	23.97	-	-	-	-	-	-
Topkim Topkapi Ilaç premiks Sanayi Ve	-	-	-	-	-	0.35	-	-	-	-	-	-
Alivira Saude Animal Brasil Participacoes Ltda	-	-	-	-	1.71	-	-	-	-	-	-	-
(ii) Loan receivable												
Alivira Animal Health Limited, Ireland	-	-	1,235.84	1,080.23	-	-	-	-	-	-	-	-
(iii) Borrowings												
SeQuent Scientific Limited	3,949.44	3,692.47	-	-	-	-	-	-	-	-	-	-
SeQuent Research Limited	-	-	-	-	-	-	18.07	40.45	-	-	-	-
(iv) Trade Payables												
SeQuent Scientific Limited	492.84	208.19	-	-	-	-	-	-	-	-	-	-
SeQuent Research Limited	-	-	-	-	-	-	21.43	3.54	-	-	-	-
Laboratorios Karizoo, S.A.	-	-	-	-	-	0.07	-	-	-	-	-	-
Bremer Pharma GmbH	-	-	-	-	0.15	1.48	-	-	-	-	-	-
Provet Veteriner Urünleri San. Ve Tic. A. Ş.	-	-	-	-	3.55	5.00	-	-	-	-	-	-
Alivira Animal Health Limited, Ireland	-	-	3.84	9.45	-	-	-	-	-	-	-	-
Symed Labs Limited	-	-	-	-	-	-	-	-	-	-	7.49	5.04
Viyash Life Sciences Private Limited	-	-	-	-	-	-	-	-	-	-	2.47	-
(v) Corporate guarantee received from												
SeQuent Scientific Limited	2,650.00	2,733.11	-	-	-	-	-	-	-	-	-	-
(vi) Corporate guarantee commission receivable												
Alivira Animal Health Limited, Ireland	-	-	0.50	-	-	-	-	-	-	-	-	-
(vii) Corporate guarantee given to												
Alivira Animal Health Limited, Ireland	-	-	2,481.86	1,328.22	-	-	-	-	-	-	-	-
Alivira Saude Animal Ltda.	-	-	-	-	-	1,130.76	-	-	-	-	-	-
SeQuent Scientific Limited	380.00	380.00	-	-	-	-	-	-	-	-	-	-
(viii) Share Capital held by holding Company												
SeQuent Scientific Limited	477.76	477.76	-	-	-	-	-	-	-	-	-	-
(ix) Investment in Subsidiaries												
Alivira Animal Health Limited, Ireland		-	5,601.90	5,519.67	-	-	-	-	-	-	-	-

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47 Segment Reporting

Operating segment are reported in a manner consistent with the internal reporting provided to Chief Operating Decision maker (CODM) of the Company. The CODM who is responsible for allocating resouirces and assessing perfomance of the segment has been identified as the executive manangement committee of the Company. The Company is mainly engaged in the business of veterinary healthcare which as per IND AS 108 - Operating segment is considered the only business segment and all other activities of the Company are incidental to this business segment.

The Company operates in three principal geographic locations.
(i) Europe
(ii) Asia
(iii) Rest of the world

	Year ended 31 March 2025	Year ended 31 March 2024
I. Revenue from operations		
Europe	1,026.71	718.67
Asia	1,599.53	1,424.60
Rest of the world	1,055.18	1,640.93
Total	**3,681.42**	**3,784.20**
	As at 31 Mach 2025	**As at 31 Mach 2024**
II. Total assets		
Europe	31.84	60.46
Asia	3,196.40	3,325.51
Rest of the world	684.58	907.79
Total segment assets	**3,912.82**	**4,293.76**
Unallocable (*)	7,529.55	7,032.83
Total assets	**11,442.37**	**11,326.59**
III. Cost incurred during the year to acquire segment assets		
Asia	162.38	172.54
Total	**162.38**	**172.54**

Information about major customer, refer note 55.3

Note: In presenting geographic information, segment revenue and segment assets are based on geographical location of revenue and assets.

(*) Unallocable assets comprises of investments in subsidiary, loans and deferred tax assets (net) and income tax assets.

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48 Employee benefit plans

(i) Defined contribution plans:

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹29.32 (31 March 2024 : ₹33.24) for Provident Fund contributions and ₹1.69 (31 March 2024 : ₹1.71) for Employee State Insurance Scheme contributions in the statement of profit and loss. As at 31 March 2025, contribution of ₹5.02 (31 March 2024 : ₹5.40) is outstanding which is paid subsequent to the end of respective reporting periods.

(ii) Defined benefit plan:

The Company has a defined gratuity benefit plan. Gratuity is payable to all eligible employees of the Company on superannuation, death and resignation. The following table summarizes the components of net employee benefit expenses recognised in the statement of profit and loss and amounts recognised in the balance sheet for the plan.

	31 March 2025	31 March 2024
Expense / (income) recognised in the statement of profit and loss:		
Current service cost	7.84	7.08
Net Interest cost	2.54	2.21
Component of defined benefit costs recognised in the statement of profit and loss	**10.38**	**9.29**
Expense / (income) recognised in other comprehensive income:		
Actuarial (gains) / losses arising from changes in financial assumptions	1.39	0.32
Actuarial (gains) / losses arising from changes in experience adjustments	3.23	1.38
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Component of defined benefit costs recognised in other comprehensive income	**4.62**	**1.70**
Total	**15.00**	**10.99**

Net defined benefit obligation as reflected in Balance Sheet.

	31 March 2025	31 March 2024
Present value of defined benefit obligation (DBO)	48.41	38.68
Fair value of plan assets	-	-
Net liability recognised in balance sheet	**48.41**	**38.68**

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

	31 March 2025	31 March 2024
Opening defined benefit obligation	38.68	32.12
Current service cost	7.84	7.08
Interest cost	2.54	2.21
Benefits paid	(5.27)	(4.43)
Actuarial loss (gain) arising from:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	1.39	0.32
Actuarial gains and losses arising from changes in experience adjustments	3.23	1.38
Closing defined benefit obligation	**48.41**	**38.68**

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Actuarial assumptions

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

	31 March 2025	31 March 2024
Financial assumption:		
Discount rate	6.61%	7.19%
Salary escalation rate	7.00%	7.00%
Demographic assumption:		
Withdrawal rate	15.00%	15.00%
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Retirement Age	58 yrs.	58 yrs.

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

Expected future cash flows	31 March 2025	31 March 2024
Within 1 Year	5.55	6.59
2-5 years	26.01	19.93
6-10 years	23.31	18.23

Average expected future working life is 6.30 years (previous year 6.29 years)

Sensitivity Analysis

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

	Impact on the defined benefit obligation increase / (decrease)	
31 March 2025	**100 bps increase**	**100 bps decrease**
Discounting rate	(2.35)	2.59
Salary escalation rate	2.79	(2.58)
31 March 2024	**100 bps increase**	**100 bps decrease**
Discounting rate	(1.81)	1.97
Salary escalation rate	1.96	(1.83)

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49 Contingent liabilities and commitments (to the extent not provided for)

Contingent liabilities

	As at 31 March 2025	As at 31 March 2024
Indirect tax matters	1.85	9.51

Commitments	As at 31 March 2025	As at 31 March 2024
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- Property, plant and equipment	22.78	149.02
b. Corporate Guarantee given to lenders for loan facility availed by wholly owned subsidiary	2,481.86	1,328.22
c. Corporate Guarantee given to lenders for loan facility availed by step down subsidiary	-	1,130.76
d. Corporate Guarantee given to lenders for loan facility availed by holding company	380.00	380.00

e. The Company has given a letter of support to its wholly owned subsidiary Alivira Animal Health Limited, Ireland and Step down subsidiaries Alivira Saude Animal Brasil Participacoes Ltda to continue to assist in whatever manner that it can to financially support the operations and cash flow requirements of the subsidiary for the foreseeable future.

50 Dues to micro and small enterprises (refer note 29)

	As at 31 March 2025	As at 31 March 2024
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount payable to micro and small enterprises	80.84	65.36
Interest due on above	-	-
	80.84	65.36
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	1.98
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	4.95
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management based on enquiries made by the management with the creditors.

51 Corporate Social Responsibility Expenses (CSR)

The Company has incurred below expenses towards CSR activities as per section 135 of the Companies Act, 2013 and is included in other expenses:

Details of CSR spent during the financial year:

Particulars	As at 31 March 2025	As at 31 March 2024
(i) Amount required to be spent by the company during the year (refer note below)	-	1.87
(ii) Amount of expenditure incurred	-	1.87
(iii) Total of previous years shortfall*	-	-
(iv) Total CSR Expenditure	-	1.87

Nature of CSR activities	Promoting heathcare, promoting education, rural development projects etc.

* Amount was transferred to unpsent CSR account

Note: The provisions of Section 135 of the Companies Act, 2013 for Corporate Social Responsibility (CSR) are applicable to the Company. Basis the assessment of spend criteria as defined in the section, the Company is not required to spend on CSR for the current year considering the average net loss incurred in preceding three years.

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52 Leases

The Company has lease contracts for land, office building, warehouses and vehicles taken on rent which generally have lease term of 1 to 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

Refer note 4.a for movement of ROU assets.

Set out below are the carrying amounts of lease liabilities (included under financial liabilities) and the movements during the period:

	As at 31 March 2025	As at 31 March 2024
As at 1 April	98.68	104.69
Additions	-	-
Deletions	(1.37)	-
Accretion of interest (refer note 40)	9.37	10.14
Payments	(16.45)	(16.14)
As at 31 March	**90.23**	**98.68**
Current	8.35	7.20
Non-current	81.88	91.49

The effective interest rate for lease liabilities is between 7.50% to 10.50%.

Impact on statement of profit and loss (decrease in profit before tax for the year)

Particulars	As at 31 March 2025	As at 31 March 2024
Depreciation and amortisation expenses	11.76	12.20
Other expenses	6.07	7.00
Finance costs	9.37	10.14
Net decrease in profit for the year	**27.20**	**29.34**

Maturity Analysis of Lease (Refer Note 55.4)

Impact on the statement of cash flows increase / (decrease)	As at 31 March 2025	As at 31 March 2024
Payment of principal portion of lease liabilities	(7.08)	(6.00)
Payment of interest portion of lease liabilities	(9.37)	(10.14)
Net cash flows from financing activities	**(16.45)**	**(16.14)**

The group uses the exemptions provided by Ind AS 116 for short-term leases (less than a year) and leases for low-value assets. ₹ 6.07 million (31 March 2024 : ₹ 7 million) relates to short-term leases and low value leases which are recognised as expense in profit or loss.

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53 Details of research and development (R&D) expenditure

	31 March 2025			31 March 2024		
	Ambernath Formulations	Vizag API	Total	Ambernath Formulations	Vizag API	Total
Revenue expenditure						
Employee benefit expenses	19.41	51.25	70.66	26.42	44.35	70.77
Legal and professional fees	0.77	2.51	3.28	0.75	3.15	3.90
Raw materials and consumables	0.01	5.86	5.87	0.22	1.64	1.86
Travelling and conveyance	1.06	0.49	1.55	1.12	0.23	1.35
Analytical charges	1.73	42.24	43.97	1.18	31.03	32.21
Depreciation	5.82	4.07	9.89	6.85	5.17	12.01
Repairs & maintenance	0.81	2.94	3.75	0.44	0.97	1.42
Others	2.19	15.15	17.34	2.68	8.80	11.48
Total	**31.80**	**124.51**	**156.31**	**39.66**	**95.34**	**135.00**
Capital expenditure						
Purchase of Property, plant and equipment (including pilot plant)	-	7.82	7.82	-	15.61	15.61
Total	**-**	**7.82**	**7.82**	**-**	**15.61**	**15.61**

Notes:

1 Vizag R&D unit got approved by Department of Scientific and Industrial Research (Certificate no-F. No. TU/IV-RD/4453/2019).

2 Ambernath formulation R&D unit got approved by Department of Scientific and Industrial Research (Certificate no-F. No. TU/IV-RD/4453/2024).

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54. Share-based payment arrangements:

A.Employees Stock Option Plan:

Pursuant to the Employees Stock Options plan established by the holding company (i.e. Sequent Scientific Limited), stock options were granted to the employees of the Company.

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting Period
11 January 2016	3,50,000	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'SeQuent ESOP 2010' scheme.	5 years
14 May 2016	1,25,000		
23 May 2017	50,000		
02 November 2018	23,25,000		
03 July 2019	5,00,000		
21 September 2020	70,900	Option granted would vest over a maximum period of 1 year from the date of the grant	1 year
01 March 2021	34,50,000	The options granted would normally vest over a maximum period of 5 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	6 Years
11 April 2022	35,50,000	The options granted would normally vest over a maximum period of 5 to 7 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	7 Years
10 May 2023	24,50,000	The options granted would normally vest over a maximum period of 5 to 7 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	5 years
06 Sep 2024	24,55,000	The options granted would normally vest over a maximum period of 3 to 5 years from the date of the grant in proportions specified in 'SeQuent ESOP 2020' scheme.	5 years

The expense on Employee Stock Option plan debited to the statement of profit and loss during 2024-25 is ₹ 136.73 (2023-24: ₹ 92.80). The entire amount pertains to equity-settled employee share-based payment plans.

B.Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

	March 31, 2025		March 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Employees Stock Option Plan:				
Option outstanding at the beginning of the year	58,97,500	86.00	45,22,500	85.54
Granted during the year	24,55,000	86.00	24,50,000	86.00
Cancelled during the year	11,50,000	86.00	-	-
Exercised during the year	5,88,500	86.00	-	-
Forfeited during the year	3,40,000	86.00	10,75,000	84.07
Options outstanding at the end of the year	**62,74,000**	**86.00**	**58,97,500**	**86.00**

The share option outstanding at the end of the year had a weighted average exercise price of ₹ 86.00 (31 March 2024 : ₹ 86.00) and weighted average remaining contractual life of years 5.15 (31 March 2024: 6.59 years).

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55 Financial Instruments

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

	Carrying value and fair value	
Financial assets	**31 March 2025**	**31 March 2024**
Measured at amortised cost		
Loans	1,235.84	1,080.23
Trade receivables	811.86	1,156.39
Cash and cash equivalents	9.97	8.37
Other bank balances	60.00	0.09
Other financial assets	26.92	17.11
Investment in a subsidiary	5,601.90	5,519.67
Measured at fair value through profit or loss (FVTPL)		
Foreign exchange forward contracts at FVTPL	1.75	-
Investments in mutual fund	-	5.33
Total	**7,748.24**	**7,787.19**
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturity of long term borrowings)	5,756.53	5,389.20
Trade payables	1,029.87	802.25
Lease liabilities	90.23	98.69
Other financial liabilities	107.48	96.06
Measured at fair value through profit or loss (FVTPL)		
Foreign exchange forward contracts at FVTPL	-	1.57
Total	**6,984.11**	**6,387.77**

55.1 Fair value hierarchy

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

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

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

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at 31 March 2025 and 31 March 2024:

			Fair value measurement using		
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable Inputs (Level 3)**
Financial assets / (liabilities) measured at fair value through profit or loss (note 10, 20 and 30 respectively):					
Investment in mutual funds	31 March 2025	-	-	-	-
Foreign exchange forward contracts- USD	31 March 2025	1.75	-	1.75	-
Investment in mutual funds	31 March 2024	5.33	-	5.33	-
Foreign exchange forward contracts- USD	31 March 2024	(1.57)	-	(1.57)	-

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

Notes:
(i) Refer note 2 (xi) under Material accounting policies for recognition and measurement of financial assets.
(ii) Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

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55.2 Financial risk management objective and policies

The Company's principal financial liabilities comprise 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.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

55.3 Credit risk

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

The credit risk on liquid funds and derivates 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 credit worthiness 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:

	As at 31 March 2025	As at 31 March 2024
Outstanding for more than 6 months	6.41	204.25
Others	810.64	968.88
	817.05	**1,173.13**

The Company continuously monitors defaults of customers and other counterparties, identified 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.

There is no revenue from single external customer more than 10% of Company's total revenue for the year ended 31 March 2025.

In addition, the Company is exposed to credit risk in relation to financial guarantees provided by the company. The company's maximum exposure in this respect is the maximum amount the company may have to pay if the guarantee is called on. As at 31 March 2025, an amount of ₹ 2,861.86 (31 March 2024 : ₹ 2,838.98) is outstanding as financial guarantee. These financial guarantees have been issued to banks and other parties with whom loan agreements have been entered by the subsidiary and parent Company.

55.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's 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's 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 on a regular basis by the treasury function within the Company. 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.

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

	As at 31 March 2025			
	Total	Less than 1 year	1-2 years	2 years and above
Borrowings (including current maturity of long term borrowings)	**5,756.53**	725.64	-	5,030.89
Trade payables	**1,029.87**	1,029.87	-	-
Lease liability	**90.23**	8.35	9.56	72.32
Other financial liability	**107.48**	107.48	-	-
Total	**6,984.11**	**1,871.34**	**9.56**	**5,103.21**
Financial guarantee (refer note 46.3)				2,861.86

	As at 31 March 2024			
	Total	Less than 1 year	1-2 years	2 years and above
Borrowings (including current maturity of long term borrowings)	**5,389.20**	1,260.21	105.01	4,023.98
Trade payables	**802.25**	802.25	-	-
Lease liability	**98.69**	7.20	8.57	82.92
Other financial liability	**96.06**	96.06	-	-
Total	**6,386.20**	**2,165.72**	**113.58**	**4,106.90**
Financial guarantee (refer note 46.3)				2,838.98

55.5 Market risk

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

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

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

a) 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 on 31 March 2025

	Amount (in foreign currency)		
Currency	**As at 31 March 2025**	**As at 31 March 2024**	**Buy/ Sell**
USD	1.80	5.00	Sell

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.

b) Foreign currency risk exposure from financial instruments are given below:

	31 March 2025		31 March 2024	
Foreign currency	**Receivable / (payable)**	**Receivable / (payable) in foreign currency**	**Receivable / (payable)**	**Receivable / (payable) in foreign currency**
EURO	32.19	0.35	60.89	0.67
USD	1,820.25	21.27	1,993.94	23.92
EURO	(22.06)	(0.24)	(22.09)	(0.24)
USD	(69.14)	(0.81)	(85.33)	(1.02)
Other foreign currencies	(0.06)	(0.00)	(0.02)	(0.00)
Net Exposure	1,761.18		1,947.38	

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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 INR 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 number below indicates an increase in profit or equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balance below would be negative.

	Impact in the statement of profit and loss and total equity	
10% Increase in foreign currency	**As at 31 March 2025**	**As at 31 March 2024**
Euro (Currency of Europe)	1.01	3.88
USD (Currency of U.S.A)	175.11	190.86
Others	-*	-*

10% decrease in foreign currency	**As at 31 March 2025**	**As at 31 March 2024**
Euro (Currency of Europe)	(1.01)	(3.88)
USD (Currency of U.S.A)	(175.11)	(190.86)
Others	-*	-*

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.

* Represents value lower than ₹10,000.

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55.6 Financial instrument - risk exposure and fair value

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 short-term and 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:

	As at 31 March 2025	As at 31 March 2024
Fixed-rate instruments		
Financial assets		
-Margin money deposit	60.09	0.09
	60.09	0.09
Financial liabilities		
-Borrowings from banks	-	461.77
	-	461.77
Variable-rate instruments		
Financial liabilities		
-Borrowings from bank	1,789.02	1,194.51
-Borrowings from others	3,967.51	3,732.92
Total	5,756.53	4,927.43

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 and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect	**Profit and Loss**	
	100 bps increase	**100 bps decrease**
31 March 2025		
Variable-rate instruments	(57.57)	57.57
	(57.57)	57.57
31 March 2024		
Variable-rate instruments	(49.27)	49.27
	(49.27)	49.27

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55.7 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

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 2025 , there is no breach of financial covenants attached to the borrowings availed by the Company.

The Company manages its capital to ensure that 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 is as follows:

	As at 31 March 2025	As at 31 March 2024
(i) Debt	5,756.53	5,389.20
(ii) Cash and cash equivalents	9.97	8.37
(iii) Other bank balances	60.09	0.09
Net debt [(i) - { (ii)+(iii) }]	5,686.47	5,380.74
Total equity	4,314.81	4,764.27
Gearing ratio	**131.79%**	**112.94%**

Notes
(i) Debt is defined as long-term (including current maturity of long-term borrowings excluding financial guarantee contracts) and short-term borrowings.
(ii) Gearing ratio : Net debt / Equity.

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Alivira Animal Health Limited
Notes to the financial statements for the year ended 31 March 2025
All amounts are in ₹ million unless otherwise stated

56 Ratio analysis and its elements

Sr. No.	Ratio	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	Variation	Remarks
1	Current Ratio	Current assets	Current liabilities	1.14	1.05	8.9%	-
2	Debt-Equity Ratio	Total debt	Total equity	1.33	1.13	17.9%	-
3	Debt Service Coverage Ratio (DSCR)	Profit after tax + Depreciation + Interest + Unrealized forex gain/ loss	Interest and lease payments + Principal repayment of current year	0.63	2.57	(76%)	Increase in repayment of short-term borrowings during the current year
4	Return on Equity Ratio	Profit after tax	Average total equity	-11.40%	-10.04%	13.5%	-
5	Inventory Turnover Ratio	Net Credit Sales	Average inventory	3.17	3.85	(17.6%)	-
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average trade receivables	3.74	3.12	20.1%	-
7	Trade Payables Turnover Ratio	Purchases	Trade payables	2.14	3.27	(34.6%)	Increase in trade payables and decrease in purchases as compared to previous year.
8	Net Capital Turnover Ratio	Sale of product and service	Working capital	13.33	34.25	(61.1%)	Increase in working capital during the year.
9	Net Profit Ratio	Net profit after tax	Sale of product and service	-14.06%	-13.21%	6.4%	-
10	Return on Capital Employed	Earnings before interest and taxes (EBIT)	Tangible networth + Total debt + Deferred tax liability	-4.09%	-4.18%	(2.2%)	-
11	Return on Investment	Interest income	Average Investments	10.91%	8.45%	29.1%	Increase in Interest rate charged on loan to wholly-owned subsidiary in line with increase in borrowing costs for the Company

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57 A. During the year ended 31 March 2025, the Company has not advanced or loaned or invested funds to any other persons or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. During the year ended 31 March 2025, the Company has not received any fund from any persons or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

58 Transfer pricing
In respect of Transfer pricing regulations under Section 92 to 92F of the Indian Income Tax Act, 1961, the Management confirms that its international transactions and Specified Domestic Transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for tax.

59 The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibited) Act, 1988 and rules made thereunder.

60 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

61 The Company does not have any charges or satisfaction which yet to be registered with Registrar of Companies beyond the statutory period.

62 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

63 There are no transactions with Struck off Companies during the year ended 31 March 2025 and 31 March 2024.

64 The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

65 The quarterly returns or statements of current assets filed by the Company (including revised returns or statements) with banks or financial institutions are in agreement with the books of accounts.

66 The Company has used two accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made, if any, using privileged / administrative access rights to the underlying database. Further no instance of audit trail feature being tampered with was noted in respect of these software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

67 With effect from August 5, 2022, the Ministry of Corporate Affairs (MCA) has amended the Companies (Accounts) Rules, 2014, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Company has maintained the books of account which are accessible in India at all times and their backup is kept on servers located in India on a daily basis, except that backup was not performed on June 19, 2024.

68 There are no standards that are notified and not yet effective as on the date.

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69 The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

70 The financial statements were approved for issue by the Board of Directors on May 19, 2025.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI firm registration number: 324982E / E300003

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Per Anil Jobanputra
Partner
Membership No: 110759

Thane, 19 May 2025

For and on behalf of the Board of Directors

Rajaram Narayanan
Managing Director & Chief Executive Officer
DIN: 02977405

Vedprakash Ragate
Director
DIN: 10578409

Saurav Bhala
Chief Financial Officer

Nihar Ranjan Das
Company Secretary
Membership No- 19003

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