

EVANCE SAUDE ANIMAL LTDA
Balance Sheet as at 31 March, 2019
All amounts are in BRL.

Particulars	Note No.	As at 31 Mar 2019
ASSETS		
Current assets		
(a) Financial Assets		
(i) Trade receivables	3	19,48,112
(ii) Cash and cash equivalents	4	23,231
(iii) Loans	5	12,000
(b) Other current assets	6	80,788
		20,64,131
TOTAL ASSETS		
		20,64,131
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	7	35,000
(b) Other Equity	8	
(i) Retained Earnings		3,77,870
		4,12,870
Current liabilities		
(a) Financial liabilities		
(i) Short-term borrowings	9	97,844
(ii) Trade payables	10	12,36,736
(iii) Other financial liabilities	11	1,24,960
(b) Other current liabilities	12	6,151
(c) Current tax liabilities (Net)	13	1,85,569
		16,51,261
TOTAL EQUITY AND LIABILITIES		
		20,64,131
See accompanying notes to the financial statements	2	

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

As per our report of event date
MOJ & ASSOCIATES
Chartered Accountants
ICAI firm registration number: 015425S


Avneep Mehta
Partner
Membership no. 225441
Bengaluru
Date : 13th May 2019



FOR AND ON BEHALF OF THE COMPANY


Jose Nunes
Chief Executive officer
Campinas


Claudinei de Castro Vieira
Chief Financial officer
Campinas

EVANCE SAUDE ANIMAL LTDA

Statement of profit and loss for the period ended 31st March'2019

All amounts are in BRL

Particulars	Note No	Period Ended 31st Mar'19
INCOME		
Revenue From Operations	14	21,98,762
Other Income	15	24,486
Total income		22,23,248
EXPENSES		
Cost of materials consumed	16	14,10,666
Finance costs	17	598
Other expenses	18	2,48,545
Total expenses		16,59,809
Profit/(Loss) before tax		5,63,439
Tax expense:	19	1,85,569
(1) Current tax		1,85,569
(2) Deferred tax		-
Profit/ (Loss) for the period		3,77,870
Other Comprehensive Income		-
Total Comprehensive Income/(Loss) for the period		3,77,870
Earnings per equity share:	21	
(1) Basic		10.80
(2) Diluted		10.80

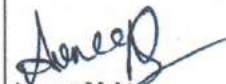
See accompanying notes to the financial statements

As per our report of event date

M O J & ASSOCIATES

Chartered Accountants

ICAI firm registration number: 015425S



Avneep Mehta

Partner

Membership no. 225441

Bengaluru

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Chief Executive officer
Campinas



Claudinei de Castro Vieira
Chief Financial officer
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EVANCE SAUDE ANIMAL LTDA
Statement of cash flows for the period ended 31 March, 2019
All amounts are in BRL

Particulars	Period ended 31 March, 2019
Cash flow from Operating Activities :	
Profit/(Loss) before tax	5,63,439
Adjustments for:	
Add:- Interest	598
Operating profit before working capital changes	5,64,038
Change in working Capital	
Increase (-)/Decrease(+) in Current Asset	
Inventories	-
Trade receivables	(19,48,112)
Loans	(12,000)
Other current assets	(45,788)
Increase (+)/Decrease(-) in Current Liabilities	
Trade payables	12,36,736
Other financial liabilities	1,24,960
Other current liabilities	6,151
Net change in working capital	(6,38,053)
Cash generated from operations	(74,015)
Direct taxes (paid)/refund	-
Net cash generated from operating activities	(74,015)
Cash Flow from Investing activities	
Purchase of fixed assets	-
Net cash used in investing activities	-
Cash flow from Financing activities	
Borrowings during the period	97,844
Finance cost	(598)
Net cash used in investing activities	97,246
Net increase/(decrease) in cash and cash equivalents during the period	(A+B+C) 23,231
Opening Cash & cash equivalent at the beginning of the period	-
Cash and cash equivalents at the end of the period	23,231
Reconciliation of cash and cash equivalents with the Balance sheet	
Cash on hand	23,231
Balances with banks	-
Cash and cash equivalents as per Balance Sheet (Refer Note 4)	23,231


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

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M O J & ASSOCIATES
Chartered Accountants
ICAI firm registration number: 015425S


Avneep Moha
Partner
Membership no. 225441
Bengaluru
Date:-13th May 2019



FOR AND ON BEHALF OF THE COMPANY


Jose Nunes
Chief Executive officer
Campinas


Claudinei de Castro Vieira
Chief Financial officer
Campinas

EVANCE SAUDE ANIMAL LTDA
Statement of Changes in Equity (SOCIE) for the period ended 31 March, 2019
All amounts are in BRL.

(a) Equity share capital

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

As at 31 March, 2019	
No. of Shares	Amount
-	-
35,000	35,000
35,000	35,000

(b) Other Equity

Reserves and Surplus
 Balance at the beginning of the reporting period
 Profit for the period
 Balance at the end of the reporting period

As at 31 March, 2019		
General reserve	Retained Earnings	Total
-	-	-
-	3,77,870	3,77,870
-	3,77,870	3,77,870

As per our report of event date
M O J & ASSOCIATES
 Chartered Accountants
 ICAI firm registration number: 015425S


Avneep Mehta
 Partner
 Membership no. 225441
 Bengaluru
 Date: 13th May 2019



FOR AND ON BEHALF OF THE COMPANY


Jose Nunes
 CEO
 Campinas


Claudinei de Castro Vieira
 Officer
 Campinas

EVANCE SAUDE ANIMAL LTDA

Notes to the financial statements for the year ended 31 March, 2019

1 Legal status and principal activities

Evance Saude Animal Ltda ("the Company") is a company duly organised and incorporated in accordance with the laws of Brazil and is engaged in the distribution of veterinary pharmaceuticals and animal health products.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The Financial Statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets that are carried at revalued amounts.

The financial statements of Evance Saude Animal Ltda ('the Company') have been prepared, in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

On 26th December 2018, Alivira Animal Health Limited, Ireland through its Subsidiary Alivira Brazil (step down subsidiary of Sequent Scientific Limited) acquired stake of 70% in the Company.

2.2 Tangible fixed assets

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

2.3 Impairment of assets

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

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

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

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

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



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A handwritten signature in blue ink.

2.4 Inventory

Inventories comprises of Raw material, Work-in-progress and intermediates, packing material & finished goods. These are valued at the lower of cost and net realizable value. Cost is determined on weighted average cost method basis as follows:-

(i) Raw materials & packing material :

At purchase cost including other cost incurred in bringing materials to their present location and condition

(ii) Work in process, intermediates & Finished goods :

At material cost, conversion cost and appropriate share of production overheads

2.5 Revenue recognition

New Standard IND AS 115 requires to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to in exchange for those goods or services. The new standard introduces a 5-step model to recognize revenue when the control is transferred: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as the performance obligations are satisfied.

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

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

Interest income is recognised on an accrual basis.

2.6 Employee benefits

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

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

2.7 Foreign currency transactions

Initial recognition

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

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

Treatment of exchange differences

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

2.8 Taxes on income

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



2.9 Earnings per share (EPS)

In determining the Earnings per share, the Company considers the net profit after tax. The number of shares used in computing Basic Earnings per share is the weighted average number of equity shares outstanding during the period. The number of shares used in computing Diluted Earnings per share comprises the weighted average number of equity shares considered for deriving Basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

2.10 Provisions and contingencies

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

2.11 Use of estimates

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

2.12 Segment

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

2.13 Insurance claims

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

2.14 Borrowing costs

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

2.15 Cash flow statement

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

2.16 Cash and cash equivalents (for purposes of cash flow statement)

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

2.17 Operating Cycle

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



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A handwritten signature in blue ink, consisting of a stylized name.

EVANCE SAUDE ANIMAL LTDA

Notes to the financial statements for the period ended 31 March, 2019

All amounts are in BRL.

Note no	Particulars	As at 31 Mar 2019
3	Trade receivables	
	(a) Unsecured, considered good	19,48,112
	(b) Unsecured, considered doubtful	-
		<u>19,48,112</u>
	Less: Provision for doubtful debts	-
		<u><u>19,48,112</u></u>
4	Cash and cash equivalents	
	Cash on hand	23,231
		<u>23,231</u>
5	Loans	
	Unsecured, considered good;	
	Advances to employees	12,000
		<u>12,000</u>
6	Other current assets	
	Advance to supplier	38,906
	Balances with government authorities	4,706
	Others	37,176
		<u>80,788</u>
7	Share capital	
(a)	Authorised	
	35000 equity shares of BRL 1.00 each	35,000
(b)	Issued, Subscribed and not fully paid up	
	35000 equity shares of BRL 1.00 each	35,000
		<u>35,000</u>

Notes:

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

Particulars	As at 31 March 2019	
	Nos of Shares	Amount
Equity shares		
Shares outstanding at the beginning of the period	-	-
Add: Shares issued during the period	35,000	35,000
Shares outstanding at the end of the period	<u>35,000</u>	<u>35,000</u>



EVANCE SAUDE ANIMAL LTDA
Notes to the financial statements for the period ended 31 March, 2019
All amounts are in BRL.

Note no	Particulars	Period Ended 31st Mar'19
14	Revenue from operations	
	Sale of products	21,98,762
		<u>21,98,762</u>
15	Other Income	
	Miscellaneous Income	24,486
		<u>24,486</u>
16	Cost of materials consumed	
	Opening stock	-
	Add: Purchases	14,10,666
	Less: Closing stock	-
		<u>14,10,666</u>
17	Finance costs	
	Interest expense	3
	Other borrowing costs	595
		<u>598</u>
18	Other expenses	
	Travel expenses	3,830
	Communication expenses	277
	Legal and Professional charges	1,88,904
	Freight and forwarding	23,492
	Power and fuel	610
	Rent	22,500
	Repairs to others	1,973
	Insurance	725
	Commission on sales	77
	Water & Sewage	630
	Other Office Expenses	1,280
	Rates and taxes	4,247
		<u>2,48,545</u>
19	Tax expense	
	Current tax	1,85,569
	Deferred tax	-
		<u>1,85,569</u>



EVANCE SAUDE ANIMAL LTDA

Notes to the financial statements for the period ended 31 March, 2019

All amounts are in BRL

Note no	Particulars	As at 31 Mar 2019	
	(ii) Terms/rights attached to equity shares		
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.		
	(iii) Details of shares held by each shareholder holding more than 5% shares		
	Equity shares		
		As at 31 March 2019	
	Name of the shareholder	Nos of Shares	% of Holding
	Alivira Saude Animal Do Brasil Participacoes LTDA.	24,500	70.00%
	Ares Holding LTDA	10,500	30.00%
8	Other Equity		
	i) Retained Earnings		3,77,870
			<u>3,77,870</u>
9	Current Liabilities- Financial Liabilities - Short term borrowings		
	Loans repayable on demand		
	From banks		
	- Unsecured		97,844
			<u>97,844</u>
10	Current - Financial liabilities		
	Trade payable		12,36,736
			<u>12,36,736</u>
11	Current - Other financial liabilities		
	Other current liabilities		1,24,960
			<u>1,24,960</u>
12	Other Current Liabilities		
	Other payables		
	Statutory remittances		6,151
			<u>6,151</u>
13	Current tax liabilities (Net)		
	Provision for taxation		1,85,569
			<u>1,85,569</u>



EVANCE SAUDE ANIMAL LTDA

Notes to the financial statements for the period ended 31 March, 2019

All amounts are in BRL

20 Details of leasing arrangements

The Company's significant leasing arrangement is mainly in respect of office premises; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is BRL 22,500

21 Earnings per share

Particulars	26th Dec 2018 to 31th March, 2019
Net profit / (loss) for the period as per statement of profit and loss	3,77,870
Net profit / (loss) for the period attributable to the equity shareholders	3,77,870
Weighted average number of equity shares	35,000
Earnings / (Loss) per share - Basic	10.80
Earnings / (Loss) per share - Diluted	10.80

22 Segment information

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

Primary segment: Business segment

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

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

Alivira Saude Animal Do Brasil Participacoes LTDA.
Alivira Animal Health Limited, Ireland (Holding company of Alivira Saude Animal Do Brasil Participacoes LTDA.)
Alivira Animal Health Limited, India (Holding company of Alivira Animal Health Limited, Ireland)
Sequent Scientific Limited, India (Ultimate Holding Company)

ii) Fellow Subsidiary :

Interchange Veterinária Indústria E Comércio Ltda.

iii) Key Management Personnel

Claudinei de Castro Vieira
José Nunes Filho
Ricardo Santos Wegher
Marcelo Ziani

A. Transaction during the period

	For the period - December 26, 2018 to March 31, 2019
(i) Purchase of materials Interchange Veterinária Indústria E Comércio Ltda.	14,10,666
(ii) Professional/ Support Charges José Nunes Filho Claudinei de Castro Vieira Marcelo Ziani Ricardo Wegher	40,066 24,300 32,653 12,885
(iii) Shares allotted during the year Alivira Saude Animal Do Brasil Participacoes LTDA.	24,500



B. Balance as at balance sheet date:

	For the period - December 26, 2018 to March 31, 2019
(i) Creditors balance	
Interchange Veterinária Indústria E Comércio Ltda.	12,36,117
(ii) Loan Outstanding	
Interchange Veterinária Indústria E Comércio Ltda.	97,844
(iii) Other receivable	
Alivira Saude Animal Do Brasil Participacoes LTDA.	24,500

24 Contingent liabilities and commitments

(i) Contingent liabilities

There is no contingent liabilities and commitments as at 31st March 2019

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)
Tangible Fixed assets

Nil

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