

INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Balance Sheet as at 31 March, 2019

All amounts are in BRL

Particulars	Note No.	As at	As at
		31 Mar 2019	31 Mar 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	4,61,122	3,94,374
(b) Deferred tax assets (net)	4	22,31,891	72,04,701
		26,93,014	75,99,075
Current assets			
(a) Inventories	5	33,95,557	31,00,476
(b) Financial Assets			
(i) Trade receivables	6	54,68,999	51,49,018
(ii) Cash and cash equivalents	7	1,45,177	1,18,631
(iii) Loans	8	1,06,344	6,000
(c) Other current assets	9	7,18,758	3,65,662
		98,34,836	87,39,787
TOTAL ASSETS		1,25,27,850	1,63,38,862
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	1,30,20,200	1,30,20,200
(b) Other Equity	11	(2,15,31,391)	(2,23,88,066)
		(85,11,191)	(93,67,866)
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	12	73,58,331	43,64,519
(b) Other financial liabilities	13	15,66,550	15,52,778
		89,24,881	59,17,297
Current liabilities			
(a) Financial liabilities			
(i) Borrowing	14	16,29,884	8,13,298
(ii) Trade payables	15	74,64,976	52,39,329
(iii) Other financial liabilities	16	14,64,571	42,37,928
(b) Other current liabilities	17	9,31,263	87,25,357
(c) Current tax liabilities (Net)	18	6,23,464	7,73,519
		1,21,14,159	1,97,89,431
TOTAL EQUITY AND LIABILITIES		1,25,27,850	1,63,38,862

See accompanying notes to the financial statements

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The accompanying notes are an integral part of 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

Date: 13th May 2019



FOR AND ON BEHALF OF THE COMPANY

Jose Nunes
Jose Nunes
Chief Executive officer
Campinas

Claudinei de Castro Vieira
Claudinei de Castro Vieira
Chief financial officer
Campinas

INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

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

All amounts are in BRL

Particulars	Note No	Year Ended	Year Ended
		31st Mar'19	31st Mar'18
INCOME			
Revenue From Operations	19	3,37,28,289	3,01,98,815
Other Income	20	6,77,024	4,82,492
Total income		3,44,05,313	3,06,81,308
EXPENSES			
Cost of materials consumed	21	2,29,79,372	1,91,65,323
Changes in inventories of finished goods and work-in-progress & intermediates	22	(6,95,948)	(5,63,136)
Employee benefits expense	23	27,96,928	29,87,717
Finance costs	24	13,49,138	15,83,750
Depreciation and amortization expense	25	62,674	61,076
Other expenses	26	87,75,747	72,50,752
Total expenses		3,52,67,910	3,04,85,481
Profit/(Loss) before tax		(8,62,598)	1,95,826
Tax expense:	27	(17,19,273)	85,020
(1) Current tax		4,84,132	3,678
(2) Deferred tax		49,72,810	81,342
(3) Prior Period Tax (Refer note no 34)		(71,76,215)	-
Profit/ (Loss) for the year		8,56,675	1,10,806
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the year		8,56,675	1,10,806
Earnings per equity share:	29		
(1) Basic		0.07	0.01
(2) Diluted		0.07	0.01

See accompanying notes to the financial statements

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As per our report of event date

M O J & ASSOCIATES

Chartered Accountants

ICAI firm registration number: 015425S

Avneep Mittal

Partner

Membership no. 225441

Bengaluru

Date: 13th May 2019



FOR AND ON BEHALF OF THE COMPANY

Jose Nunes

Chief Executive officer

Campinas

Claudio de Castro Vieira

Chief financial officer

Campinas

INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Statement of cash flows for the year ended 31 March, 2019
All amounts are in BRL.

Particulars	Year ended 31 March, 2019	Year ended 31 March, 2018
Cash flow from Operating Activities :-		
Profit/(Loss) before tax	(8,62,598)	1,95,826
Adjustments for:		
Add:- Interest	13,49,138	15,83,750
Add: Depreciation	62,674	61,076
Add: Provision for Bad debt	95,888	-
Operating profit before working capital changes	6,45,102	18,40,652
Change in working Capital		
Increase (-)/Decrease(+) in Current Asset		
Inventories	(2,95,081)	(10,17,930)
Trade receivables	(4,15,869)	(10,99,290)
Loans	(1,00,344)	12,500
Other current assets	(3,53,097)	3,98,057
Increase (+)/Decrease(-) in Current Liabilities		
Trade payables	22,23,152	21,78,927
Other financial liabilities	4,17,678	27,00,469
Other current liabilities	(18,83,759)	(75,646)
Net change in working capital	(4,07,320)	30,97,087
Cash generated from operations	2,37,783	49,37,738
Direct taxes (paid)/refund	6,34,187	(9,862)
Net cash generated from operating activities	8,71,970	49,27,876
Cash Flow from Investing activities		
Purchase of fixed assets	(1,29,422)	(1,09,918)
Net cash used in investing activities	(1,29,422)	(1,09,918)
Cash flow from Financing activities		
Payments of Borrowing	6,33,136	(32,81,281)
Finance cost	(13,49,138)	(15,83,750)
Net cash used in investing activities	(7,16,002)	(48,65,031)
Net increase/(decrease) in cash and cash equivalents during the period Apr'18 to Mar'19	(A+B+C) 26,546	(47,073)
Opening Cash & cash equivalent at the beginning of the period	1,18,631	1,65,704
Cash and cash equivalents at the end of the period	1,45,177	1,18,631
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash on hand	6,755.75	3,277
Balances with banks	1,38,422	1,15,354
Cash and cash equivalents as per Balance Sheet (Refer Note 7)	1,45,177	1,18,631


The accompanying notes are an integral part of 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
 Date: 13th May 2019



FOR AND ON BEHALF OF THE COMPANY


Jose Nunes
 Chief Executive officer
 Campinas


Claudio de Castro Vieira
 Chief financial officer
 Campinas

INTERCHANGE VETERINARIA INDÚSTRIA E COMÉRCIO LTDA.

Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2019

All amounts are in BRL.

	As at 31 March, 2019		As at 31 March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity share capital	1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200
Balance at the beginning of the reporting year	-	-	-	-
Changes in equity share capital during the year	1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200
Balance at the end of the reporting year	1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200

(b) Other Equity

	As at 31 March, 2019		As at 31 March, 2018			
	General reserve	Retained Earnings	Total	General reserve	Retained Earnings	Total

Reserves and Surplus

Balance at the beginning of the reporting year	(2,12,47,260)	(11,40,806)	(2,23,88,066)	(2,12,47,260)	(12,51,612)	(2,24,98,872)
Profit for the year	-	8,56,675	8,56,675	-	1,10,806	1,10,806
Balance at the end of the reporting year	(2,12,47,260)	(2,84,131)	(2,15,31,391)	(2,12,47,260)	(11,40,806)	(2,23,88,066)

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: 0154255

Avneep Mehta

Partner

Membership no. 225441

Bengaluru

Date:- 13th May 2019

FOR AND ON BEHALF OF THE COMPANY

Jose Nunes
Jose Nunes
Chief Executive officer
Cappinas

Claudine de Castro Vieira
Claudine de Castro Vieira
Chief Financial officer
Cappinas



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2019

Notes

1 Legal status and principal activities

Interchange Veterinaria Industria E Comercio S.A. ("the Company") is a company duly organised and incorporated in accordance with the laws of Brazil and is engaged in the manufacturing of veterinary pharmaceuticals and animal health products.

2 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 Interchange Veterinaria Industria E Comercio S.A. ('the Company') have been prepared, in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

Effective 1 August 2016, Alivira Animal Health Limited, Ireland (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 Depreciation

Depreciation is provided under the SLM method based on the useful lives

Name of the Assets	Useful life
Computers	5 years
Furniture and fixtures	10 years
Plant and machinery	10 years
Lease hold property-development	25 years

2.4 Impairment of assets

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

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

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

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

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



2.5 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

2.6 Revenue recognition

On 01 April 2018, the Company adopted IND AS 115, Revenue from Contracts with Customers using the modified retrospective method. The company applied the new standard to all contracts with customers within the scope of the standard that were in effect on 01 April 2018. However, no amount was recognized as there was no impact of the cumulative effect of initially applying the new standard as an adjustment to the opening balance of retained earnings. Comparative information for prior periods has not been restated and continues to be reported under the accounting standards in effect for those periods.

The new standard 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.

2.7 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.

2.8 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.

2.9 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



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

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

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

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

All amounts are in BRL

Note 3: Property, plant and equipment and capital work-in-progress

Particulars	As at 31 March, 2019	As at 31 March, 2018
Carrying Amount of:		
Lease hold property-development	66,004	69,342
Furniture and fixtures	76,276	90,083
Computers	35,355	38,210
Plant and machinery	2,83,488	1,96,740
Total	4,61,122	3,94,374

Particulars	Lease hold property- development	Furniture and fixtures	Computers	Plant and machinery	Total
Cost or deemed cost					
Balance as on 01 April, 2017	74,907	95,668	46,477	1,73,859	3,90,911
Assets acquired*	-	14,961	13,656	81,301	1,09,918
Balance as on 01 April, 2018	74,907	1,10,629	60,133	2,55,160	5,00,829
Assets acquired	-	-	12,395	1,17,027	1,29,422
Balance as on 31 March, 2019	74,907	1,25,590	86,185	4,53,488	7,40,169

Particulars	Lease hold property- development	Furniture and fixtures	Computers	Plant and machinery	Total
Accumulated depreciation and impairment					
Balance as on 01 April, 2017	2,226	4,867	7,469	30,817	45,379
Depreciation / amortisation expense for the year	3,339	15,679	14,454	27,603	61,076
Balance as on 01 April, 2018	5,565	20,546	21,923	58,420	1,06,455
Depreciation / amortisation expense for the year	3,338	13,807	15,250	30,279	62,674
Balance as on 31 March, 2019	5,566	22,418	21,128	55,745	1,04,857

Particulars	Lease hold property- development	Furniture and fixtures	Computers	Plant and machinery	Total
Carrying amount					
Balance as on 01 April, 2017	72,681	90,801	39,008	1,43,042	3,45,532
Assets acquired	-	14,961	13,656	81,301	1,09,918
Depreciation expense	3,339	15,679	14,454	27,603	61,076
Balance as on 01 April, 2018	69,342	90,083	38,210	1,96,740	3,94,374
Assets acquired	-	-	12,395	1,17,027	1,29,422
Depreciation expense	3,338	13,807	15,250	30,279	62,674
Balance as on 31 March, 2019	66,004	76,276	35,355	2,83,488	4,61,122



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2019
All amounts are in BRL

Note no	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
4	Deferred tax assets (net) Deferred tax assets (Carry forward of losses)	22,31,891	72,04,701
		<u>22,31,891</u>	<u>72,04,701</u>
5	Inventories (At lower of cost and net realisable value)		
	Raw materials	8,15,767	12,22,540
	Packing materials	69,695	63,790
		<u>8,85,463</u>	<u>12,86,329</u>
o	Work-in-progress and intermediates	1,19,408	1,01,868
	Finished goods	16,94,684	12,56,177
	Trading Goods	6,96,003	4,56,102
		<u>33,95,557</u>	<u>31,00,476</u>
6	Trade receivables (a) Unsecured, considered good (b) Unsecured, considered doubtful Trade receivables Less: Provision for doubtful debts	54,68,999 6,10,274 60,79,272 (6,10,274)	51,49,018 5,14,386 56,63,404 (5,14,386)
		<u>54,68,999</u>	<u>51,49,018</u>
7	Cash and cash equivalents Cash on hand Balances with banks - In current accounts	6,756 1,38,422 1,45,177	3,277 1,15,354 1,18,631
		<u>1,45,177</u>	<u>1,18,631</u>
8	Loans Unsecured, considered good; Advances to employees Loans & Advances to related parties	8,500 97,844 1,06,344	6,000 - 6,000
		<u>1,06,344</u>	<u>6,000</u>
9	Other current assets Advance to supplier Balances with government authorities Others	3,42,895 2,11,788 1,64,075 7,18,758	1,54,183 90,193 1,21,285 3,65,662
		<u>7,18,758</u>	<u>3,65,662</u>



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2019
All amounts are in BRL.

Note no	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
10	Share capital		
(a)	Authorised		
	1,303,950 equity shares (March 31, 2018: 1,303,950 equity shares) of BRL 10 each	1,30,39,500	1,30,39,500
(b)	Issued, Subscribed and fully paid up		
	1,302,020 equity shares (March 31, 2018: 1,302,020 equity shares) of BRL 10 each	1,30,20,200	1,30,20,200
		<u>1,30,20,200</u>	<u>1,30,20,200</u>

Notes:

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	Nos of Shares	Amount	Nos of Shares	Amount
Equity shares				
Shares outstanding at the beginning of the period	1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200
Add: Shares issued during the period	-	-	-	-
Shares outstanding at the end of the period	<u>1,30,20,200</u>	<u>1,30,20,200</u>	<u>1,30,20,200</u>	<u>1,30,20,200</u>

(ii) Terms/rights attached to equity shares

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity shares	As at 31 March 2019		As at 31 March 2018		
	Name of the shareholder	Nos of Shares	% of Holding	Nos of Shares	% of Holding
	Alvira, Brazil	91,14,140	70.00%	91,14,140	70.00%
	Abilio Cezar Tardin	14,45,242	11.10%	14,45,242	11.10%
	Ermete Antônio Wegher	7,81,212	6.00%	7,81,212	6.00%
	José Nunes Filho	7,42,151	5.70%	7,42,151	5.70%

11 Other Equity

a) Retained Earnings	(2,84,131)	(11,40,806)
b) General reserve	(2,12,47,260)	(2,12,47,260)
	<u>(2,15,31,391)</u>	<u>(2,23,88,066)</u>

12 Non-current liabilities - Financial Liabilities - Long term borrowings

Unsecured - Fitch Participacoes Ltda	35,13,325	55,712
Unsecured Judicial liabilities	38,45,007	43,08,808
	<u>73,58,331</u>	<u>43,64,519</u>

(i) Details of terms of repayment for the unsecured long-term borrowings :-

Particulars	Terms of repayment	As at 31 Mar 2019	As at 31 Mar 2018
FITCH PARTICIPACOES LTDA: The Company has obtained the loan through various disbursements. The rate of interest is 1.10% on the loan outstanding.	The loan is repayable on the mutual agreement.	35,13,325	55,712
Judicial Liabilities: The Company has received the judicial recovery judgement dated May 7, 2015 from the 2nd Civil Court of the District of Campinas, Sao Paulo for restructuring the payable towards class of vendors and banks to the loan. The interest rate of the restructured loan payable to vendors and banks is Mortgage reference rate of Brazil plus 1%.	The loan is repayable in half yearly 18 unequal installments and the repayment would commence from November 7, 2016 i.e., eighteen months after the date of judgement from 0.50% to 10.50% of the principal amount.	38,45,007	43,08,808



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INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2019
All amounts are in BRL.

Note no	Particulars	As at 31 Mar 2019	As at 31 Mar 2018
13	Non-current liabilities - Other financial liabilities		
	Statutory remittances	8,36,225	8,85,222
	Interest Accrued & not Due	7,30,325	6,67,556
		<u>15,66,550</u>	<u>15,52,778</u>
14	Current Liabilities- Financial Liabilities - Short term borrowings		
	Loans repayable on demand		
	From banks		
	1. Secured (Factoring)	6,01,712	-
	2. Unsecured	10,28,172	8,13,298
		<u>16,29,884</u>	<u>8,13,298</u>
15	Current - Financial liabilities		
	Trade payable	74,64,976	52,39,329
		<u>74,64,976</u>	<u>52,39,329</u>
16	Current - Other financial liabilities		
	Current maturities of long-term debt	6,00,000	37,77,263
	Interest accrued and due on borrowings	-	-
	Unsecured Judicial liabilities	3,77,590	1,62,038
	Other current liabilities	4,86,981	2,98,627
		<u>14,64,571</u>	<u>42,37,928</u>
17	Other Current Liabilities		
	Other payables		
	(i) Statutory remittances	9,28,829	87,22,923
	(ii) Advances from customers	2,434	2,434
		<u>9,31,263</u>	<u>87,25,357</u>
18	Current tax liabilities (Net)		
	Provision for taxation	6,23,464	7,73,519
		<u>6,23,464</u>	<u>7,73,519</u>



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

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

All amounts are in BRL

Note no	Particulars	Year Ended 31st Mar'19	Year Ended 31st Mar'18
19	Revenue from operations		
	Sale of products	3,37,28,289	3,01,98,815
		<u>3,37,28,289</u>	<u>3,01,98,815</u>
20	Other Income		
	Other non-operating income	6,60,853	4,54,399
	Miscellaneous Income	16,170	28,093
		<u>6,77,024</u>	<u>4,82,492</u>
21	Cost of materials consumed		
	Opening stock	12,86,329	8,31,535
	Add: Purchases	2,25,78,506	1,96,20,117
	Less: Closing stock	8,85,463	12,86,329
		<u>2,29,79,372</u>	<u>1,91,65,323</u>
22	Changes in inventories of finished goods and work-in-progress & intermediates		
	Opening stock		
	Work-in-progress and intermediates	1,01,868	76,553
	Finished goods	17,12,278	11,74,458
		<u>18,14,147</u>	<u>12,51,011</u>
	Closing stock		
	Work-in-progress and intermediates	1,19,408	1,01,868
	Finished goods	23,90,687	17,12,278
		<u>25,10,095</u>	<u>18,14,147</u>
	Net (increase) / decrease	<u>(6,95,948)</u>	<u>(5,63,136)</u>
23	Employee benefits expense		
	Salaries and wages	12,95,980	14,45,863
	Contribution to funds/other funds	5,74,245	6,45,610
	Staff welfare expenses	9,26,702	8,96,244
		<u>27,96,928</u>	<u>29,87,717</u>
24	Finance costs		
	Interest expense	12,74,389	15,04,724
	Other borrowing costs	74,749	79,026
		<u>13,49,138</u>	<u>15,83,750</u>
25	Depreciation and amortization expense		
	Tangible assets	62,674	61,076
		<u>62,674</u>	<u>61,076</u>



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INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2019
All amounts are in BRL

Note no	Particulars	Year Ended 31st Mar'18	Year Ended 31st Mar'18
26	Other expenses		
	Travel expenses	5,86,369	6,33,630
	Communication expenses	32,298	42,355
	Contract labour charges	56,527	64,883
	Legal and Professional charges	26,72,505	22,09,166
	Freight and forwarding	10,24,367	7,51,190
	Power and fuel	97,001	83,760
	Rent	6,88,673	6,81,228
	Analytical charges	2,60,986	2,22,766
	Repairs to buildings	44,258	58,229
	Repairs to machinery	1,12,040	1,15,271
	Repairs to others	32,159	35,989
	Research & Development	4,26,842	6,91,304
	Insurance	13,964	14,225
	Commission on sales	9,91,932	7,80,717
	Water & Sewage	70,889	48,481
	Other Office Expenses	2,26,054	2,09,526
	Advertisement and selling expenses	1,09,962	1,37,290
	Rates and taxes	1,85,107	1,91,511
	Net loss on foreign currency transactions and translation	9,14,984	2,37,498
	Provision for doubtful trade receivables	95,888	-
	Other expenses	1,21,669	41,733
		87,75,747	72,50,752
27	Tax expense		
	Current tax	4,84,132	3,678
	Deferred tax	49,72,810	81,342
	Prior Period Tax	(71,76,215)	-
		(17,19,273)	85,020



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2019
All amounts are in BRL.

28 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 6,88,673

29 Earnings per share

Particulars	01 Apr 2018 to 31 March, 2019	01 Apr 2017 to 31 March, 2018
Net profit / (loss) for the period as per statement of profit and loss	8,56,675	1,10,806
Net profit / (loss) for the period attributable to the equity shareholders	8,56,675	1,10,806
Weighted average number of equity shares	1,30,20,200	1,30,20,200
Earnings / (Loss) per share - Basic	0.07	0.01
Earnings / (Loss) per share - Diluted	0.07	0.01

30 Segment information

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

Primary segment: Business segment

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

31 Contingent liabilities and commitments

(i) **Contingent liabilities**

There is no contingent liabilities and commitments as at 31st March 2019 & 31st March 2018

(ii) **Commitments**

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

Tangible Fixed assets

Nil

32 Details on derivatives instruments and unhedged foreign currency exposures

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Foreign currency	2018-19	2017-18
	USD	USD
Payable	17,37,031	12,08,116
Receivable	38,290	47,150
Net Exposure	16,98,741	11,60,966

Foreign currency	2018-19	2017-18
	EUR	EUR
Payable	387	-
Receivable	-	-
Net Exposure	387	-



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

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

All amounts are in BRL.

33 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 :

Evance Saude Animal Ltda

iii) Key Management Personnel

Claudinei de Castro Vieira (Chief Financial officer)
José Nunes Filho (Chief Executive officer)
Ricardo Santos Wegher
Marcelo Ziani

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

Fitch Participacoes Ltda

A. Transaction during the period

Nature of Transactions	Key Management Personnel / Fellow subsidiaries		Enterprises owned or Significantly influenced by Key Management Personnel or their relatives	
	Year ended 31th March 2019	Year ended 31th March 2019	Year ended 31th March 2019	Year ended 31th March 2019
(i) Sales of materials Evance Saude Animal Ltda	14,10,666			
(ii) Professional/ Support Charges José Nunes Filho	3,18,672	3,62,745		
Claudinei de Castro Vieira	2,72,532	2,48,739		
Marcelo Ziani	3,21,198	3,38,562		
Ricardo Wegher	1,85,738	1,06,372		
(iii) Managerial remuneration Ricardo Wegher	-	55,000		
José Nunes Filho	51,526	64,375		
(iv) Interest Paid Fitch Participacoes Ltda			5,22,502	4,88,013
(v) Loan repaid during the year Fitch Participacoes Ltda			2,40,000	2,40,000

B. Balance as at balance sheet date:

Nature of Transactions	Key Management Personnel / Fellow subsidiaries		Enterprises owned or Significantly influenced by Key Management Personnel or their relatives	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
(i) Debtors balance Evance Saude Animal Ltda	12,36,117			
(ii) Creditors balance Alivira Animal Health Limited, Ireland	1,714			
(iv) Loan Outstanding Evance Saude Animal Ltda	97,844			
Fitch Participacoes Ltda			41,13,325	38,32,975



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INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

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

All amounts are in BRL unless otherwise stated

- 34 Pursuant to the special tax regularization scheme of Interchange in Brazil with the Attorney of the National Treasury and Federal Revenue of Brazil, the Company had entered into the arrangement with the restructuring towards credit availed \ waiver obtained amounting to 7,747,165 BRL (Prior period tax 71,76,215 BRL and Other income 5,70,950 BRL).

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

Chief Executive officer

Campinas



Claudinei de Castro Vieira

Chief Financial officer

Campinas