

INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Balance Sheet as at 31 March, 2020

All amounts are in BRL.

Particulars	Note No.	As at	As at
		31 Mar 2020	31 Mar 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	25,22,207	4,61,122
(b) Other Intangible assets	4	23,75,000	-
(c) Financial Assets			
(i) Loans	5	1,34,633	-
(d) Deferred tax assets (net)	6	24,82,101	22,31,891
		75,13,941	26,93,014
Current assets			
(a) Inventories	7	63,65,687	33,95,557
(b) Financial Assets			
(i) Trade receivables	8	1,17,66,954	54,68,999
(ii) Cash and cash equivalents	9	1,92,876	1,45,177
(iii) Loans	10	2,33,087	1,06,344
(iv) Other financial assets	11	3,79,984	-
(c) Other current assets	12	5,51,619	7,18,758
		1,94,90,208	98,34,836
		1,94,90,208	98,34,836
TOTAL ASSETS		2,70,04,149	1,25,27,850
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	1,30,20,200	1,30,20,200
(b) Other Equity	14	(2,04,51,373)	(2,15,31,391)
		(74,31,173)	(85,11,191)
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	15	79,62,690	73,58,331
(ii) Lease liabilities	31	19,13,138	-
(iii) Other financial liabilities	16	9,06,006	15,66,550
		1,07,81,834	89,24,881
Current liabilities			
(a) Financial liabilities			
(i) Borrowing	17	58,49,952	16,29,884
(ii) Trade payables	18	1,44,42,434	74,64,976
(iii) Lease liabilities	31	1,61,020	-
(iv) Other financial liabilities	19	20,76,668	14,64,571
(b) Other current liabilities	20	7,66,710	9,31,263
(c) Current tax liabilities (Net)	21	3,56,702	6,23,464
		2,36,53,487	1,21,14,159
		2,36,53,487	1,21,14,159
TOTAL EQUITY AND LIABILITIES		2,70,04,149	1,25,27,850

See accompanying notes to the financial statements

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

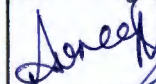
As per our report of event date

FOR AND ON BEHALF OF THE COMPANY

M O J & ASSOCIATES

Chartered Accountants

ICAI firm registration number: 015425S

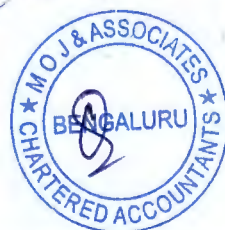


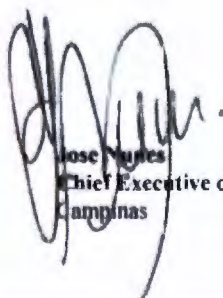
Avneep Mohita
Partner

Membership no 225441

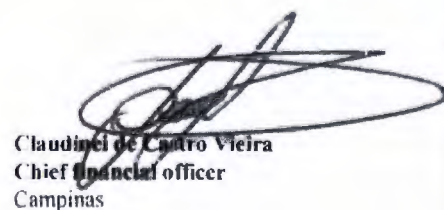
Bengaluru

Date: 7th May 2020





Jose Nunes
Chief Executive officer
Campinas



Claudinei de Castro Vieira
Chief financial officer
Campinas

INTERCHANGE VETERINARIA INDUSTRIA E COMERCIO LTDA.

Statement of profit and loss for the year ended 31st March'2020

All amounts are in BRL.

Particulars	Note No	Year Ended	Year Ended
		31st Mar'20	31st Mar'19
INCOME			
Revenue From Operations	22	4,44,69,035	3,37,28,289
Other Income	23	7,205	6,77,024
Total income		4,44,76,240	3,44,05,313
EXPENSES			
Cost of materials consumed	24	3,01,21,693	2,29,79,372
Changes in inventories of finished goods and work-in-progress & intermediates	25	(1,69,941)	(6,95,948)
Employee benefits expense	26	33,43,250	27,96,928
Finance costs	27	14,64,291	13,49,138
Depreciation and amortization expense	28	4,49,062	62,674
Other expenses	29	83,27,444	87,75,747
Total expenses		4,35,35,800	3,52,67,910
Profit/(Loss) before tax		9,40,441	(8,62,598)
Tax expense:	30	(2,12,595)	(17,19,273)
(1) Current tax		-	4,84,132
(2) Deferred tax		(2,12,595)	49,72,810
(3) Prior Period Tax (Refer note no 34)		-	(71,76,215)
Profit/ (Loss) for the year		11,53,035	8,56,675
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the year		11,53,035	8,56,675
Earnings per equity share:	32		
(1) Basic		0.09	0.07
(2) Diluted		0.09	0.07

See accompanying notes to the financial statements

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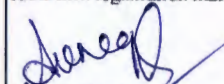
The accompanying notes are an integral part of the financial statements.

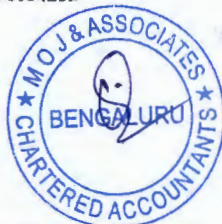
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M O J & ASSOCIATES

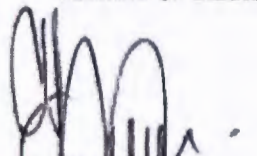
Chartered Accountants

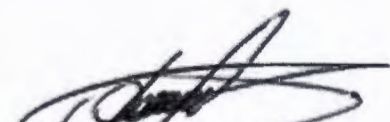
ICAI firm registration number: 0154255


Anoop Mehta
 Partner
 Membership no. 225441
 Bengaluru
 Date: 7th May 2020



FOR AND ON BEHALF OF THE COMPANY


Jose Nunes
 Chief Executive officer
 Campinas


Osvaldo de Castro Vieira
 Chief financial officer
 Campinas

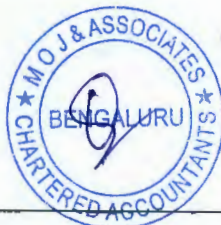
INTERCHANGE VETERINARIA INDUSTRIA E COMERCIO LTDA.
Statement of cash flows for the year ended 31 March, 2020
All amounts are in BRL.

Particulars	Year ended 31 March, 2020	Year ended 31 March, 2019
Cash flow from Operating Activities :-		
Profit/(Loss) before tax	9,40,441	(8,62,598)
Adjustments for:		
Add - Interest	14,64,291	13,49,138
Add: Depreciation	4,49,062	62,674
Add: unrealised Exchange on foreign currency borrowing (Net of hedged Instrument)	6,60,508	-
Add Provision for Bad debt	-	95,888
Operating profit before working capital changes	<u>35,14,301</u>	<u>6,45,102</u>
Change in working Capital		
Increase (-)/Decrease(-) in Current Asset		
Inventories	(29,70,130)	(2,95,081)
Trade receivables	(62,97,956)	(4,15,869)
Loans	(1,26,743)	(1,00,344)
Other current assets	32,506	(1,53,097)
Increase (+)/Decrease(-) in Current Liabilities		
Trade payables	69,77,458	22,23,152
Other financial liabilities	1,52,760	4,17,678
Other current liabilities	(1,64,553)	(18,83,759)
Net change in working capital	<u>(23,96,658)</u>	<u>(4,07,320)</u>
Cash generated from operations	11,17,643	2,37,783
Direct taxes (paid)/refund	(2,66,762)	6,34,187
Net cash generated from operating activities	<u>A</u>	<u>8,50,882</u>
Cash Flow from Investing activities		
Purchase of Tangible asset	(2,84,263)	(1,29,422)
Purchase of Intangible asset	(17,70,833)	-
Net cash used in investing activities	<u>B</u>	<u>(20,55,096)</u>
Cash flow from Financing activities		
Borrowing	24,68,388	6,33,136
Finance cost	(10,79,117)	(13,49,138)
Payment of principal portion of lease liability	(1,37,358)	-
Net cash used in investing activities	<u>C</u>	<u>(7,16,002)</u>
Net increase/(decrease) in cash and cash equivalents during the year	(A+B+C)	47,698
Opening Cash & cash equivalent at the beginning of the year	1,45,177	1,18,631
Cash and cash equivalents at the end of the year	1,92,876	1,45,177
Reconciliation of cash and cash equivalents with the Balance sheet		
Cash on hand	2,641	6,756
Balances with banks	1,90,235	1,38,422
Cash and cash equivalents as per Balance Sheet (Refer Note 9)	<u>1,92,876</u>	<u>1,45,177</u>

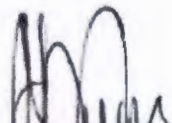
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M O J & ASSOCIATES
Chartered Accountants
ICAI firm registration number: 015425S


Avneep Mehta
Partner
Membership no. 225441
Bengaluru
Date: 7th May 2020



FOR AND ON BEHALF OF THE COMPANY


Jose Nunes
Chief Executive officer
Campinas

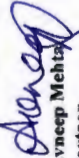

Claudio de Souza Vieira
Chief financial officer
Campinas

INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Statement of Changes in Equity (SOCIE) for the year ended 31 March, 2020
All amounts are in BRL

	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity share capital				
Balance at the beginning of the reporting year	1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200
Changes in equity share capital during the year	-	-	-	-
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				
Reserves and Surplus				
Balance at the beginning of the reporting year		(2,84,131)		(2,84,131)
Profit for the year		11,53,035		8,56,675
Lease Impact as per IND AS 1.16		(1,10,632)		-
Deferred Tax Impact on lease		37,615		-
Balance at the end of the reporting year		7,95,887		5,72,544
		(2,12,47,260)		(2,12,47,260)
				(2,15,31,391)
				8,56,675
				-
				-
				(2,06,74,716)

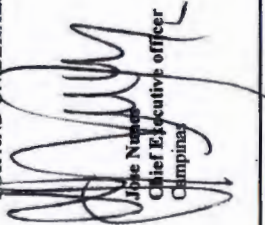
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As per our report of event date
M O J & ASSOCIATES
 Chartered Accountants
 ICAI firm registration number: 0154255


Avneep Mehta
 Partner
 Membership no: 225441
 Bengaluru
 Date: 7th May 2020



FOR AND ON BEHALF OF THE COMPANY


Jose Nigam
 Chief Executive officer
 Campinas


Renato de Castro Vieira
 Chief Financial officer
 Campinas

INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Notes to the financial statements for the year ended 31 March, 2020

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 Changes in accounting policies and disclosures:

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2019, but do not have an impact on the consolidated financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the full retrospective method of adoption, with the date of initial application on 1 April 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

2.2 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.

2.3 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.

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INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Notes to the financial statements for the year ended 31 March, 2020

2.3 Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

2.5 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

2.6 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.



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Notes to the financial statements for the year ended 31 March, 2020

2.7 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

2.8 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.

2.9 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.

2.10 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

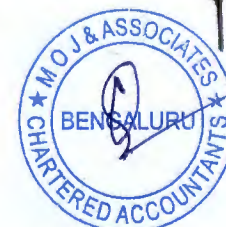
Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

2.11 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

2.12 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



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Notes to the financial statements for the year ended 31 March, 2020

2.13 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

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 Leases

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 insubstance 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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.

The Company's lease liabilities are included in Interest-bearing loans and borrowings (see Note 31).

2.19 Cash flow statement

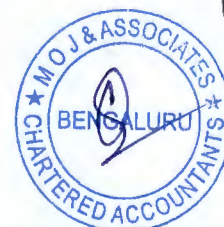
Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing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

2.20 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.

2.21 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, 2020

All amounts are in BRL

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

Particulars	As at 31 March, 2020	As at 31 March, 2019
Carrying Amount of:		
Lease hold property-development	62,663	66,002
Furniture and fixtures	84,165	76,276
Computers	32,954	35,356
Lease property	18,28,934	
Plant and machinery	4,83,489	2,83,488
Total	25,22,207	4,61,122

Particulars	Lease hold property- development	Furniture and fixtures	Computers	Lease Property	Plant and machinery	Total
Cost or deemed cost						
Balance as on 01 April, 2018	83,479	3,14,398	91,278	-	4,25,509	9,14,665
Assets acquired	-	-	12,395	-	1,17,028	1,29,422
Balance as on 01 April, 2019	83,479	3,14,398	1,03,673	-	5,42,537	10,44,087
Assets acquired	-	22,184	12,681	21,00,884	2,49,398	23,85,146
Balance as on 31 March, 2020	83,479	3,36,582	1,16,354	21,00,884	7,91,935	34,29,234

Particulars	Lease hold property- development	Furniture and fixtures	Computers	Lease Property	Plant and machinery	Total
Accumulated depreciation and impairment						
Balance as on 01 April, 2018	14,138	2,24,315	53,068	-	2,28,770	5,20,291
Depreciation / amortisation expense for the year	3,339	13,807	15,250	-	30,279	62,674
Balance as on 01 April, 2019	17,477	2,38,122	68,318	-	2,59,049	5,82,965
Depreciation / amortisation expense for the year	3,339	14,295	15,082	2,41,949	49,397	3,24,062
Balance as on 31 March, 2020	20,816	2,52,417	83,400	2,41,949	3,08,445	9,07,027

Particulars	Lease hold property- development	Furniture and fixtures	Computers	Lease Property	Plant and machinery	Total
Carrying amount						
Balance as on 01 April, 2018	83,479	3,14,398	91,278	-	4,25,509	9,14,665
Assets acquired	-	-	12,395	-	1,17,028	1,29,422
Depreciation expense	3,339	13,807	15,250	-	30,279	62,674
Balance as on 01 April, 2019	66,002	76,276	35,356	-	2,83,488	4,61,122
Assets acquired	-	22,184	12,681	21,00,884	2,49,398	23,85,146
Depreciation expense	3,339	14,295	15,082	2,41,949	49,397	3,24,062
Balance as on 31 March, 2020	62,663	84,165	32,954	18,58,934	4,83,489	25,22,207



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2020

All amounts are in BRL

Note 4: Other Intangible assets

Particulars	As at 31 March, 2020	As at 31 March, 2019
Carrying Amount of:		
Product Licenses	23,75,000	-
Total	23,75,000	-

Particulars	Product Licenses
Cost or deemed cost	
Balance as on 01 April, 2018	-
Assets acquired	-
Balance as on 01 April, 2019	-
Assets acquired	25,00,000
Balance as on 31 March, 2020	25,00,000

Particulars	Product Licenses
Accumulated depreciation/amortisation and impairment	
Balance as on 01 April, 2018	-
Depreciation / amortisation expense for the year	-
Balance as on 01 April, 2019	-
Depreciation / amortisation expense for the year	1,25,000
Balance as on 31 March, 2020	1,25,000

Particulars	Product Licenses
Carrying amount	
Balance as on 01 April, 2018	-
Assets acquired	-
Depreciation expense	-
Balance as on 01 April, 2019	-
Assets acquired	25,00,000
Depreciation expense	1,25,000
Balance as on 31 March, 2020	23,75,000



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2020
All amounts are in BRL.

Note no	Particulars	As at 31 Mar 2020	As at 31 Mar 2019
5	Financial assets - Long term loans and advances		
	Security Deposits	1,34,633	-
		<u>1,34,633</u>	<u>-</u>
6	Deferred tax assets (net)		
	On account of Leases	73,176	-
	On Carry forward of losses	24,08,925	22,31,891
		<u>24,82,101</u>	<u>22,31,891</u>
7	Inventories (At lower of cost and net realisable value)		
	Raw materials	35,83,710	8,15,767
	Packing materials	1,01,942	69,695
		<u>36,85,652</u>	<u>8,85,463</u>
	Work-in-progress and intermediates	1,76,582	1,19,408
	Finished goods	9,87,490	16,94,684
	Trading Goods	15,15,963	6,96,003
		<u>63,65,687</u>	<u>33,95,557</u>
8	Trade receivables		
	(a) Unsecured, considered good	1,17,66,954	54,68,999
	(b) Unsecured, considered doubtful	6,10,274	6,10,274
	Trade receivables	<u>1,23,77,228</u>	<u>60,79,272</u>
	Less: Provision for doubtful debts	(6,10,274)	(6,10,274)
		<u>1,17,66,954</u>	<u>54,68,999</u>
9	Cash and cash equivalents		
	Cash on hand	2,641	6,756
	Balances with banks - In current accounts	1,90,235	1,38,422
		<u>1,92,876</u>	<u>1,45,177</u>
10	Loans		
	Unsecured, considered good:		
	Advances to employees	8,000	8,500
	Loans & Advances to related parties	2,25,087	97,844
		<u>2,33,087</u>	<u>1,06,344</u>
11	Other current financial assets		
	Derivative Asset	1,79,844	-
		<u>1,79,844</u>	<u>-</u>
12	Other current assets		
	Advance to suppliers	2,21,534	3,42,895
	Balances with government authorities	2,92,136	2,11,788
	Others	37,949	1,64,075
		<u>5,51,619</u>	<u>7,18,758</u>

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INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2020
All amounts are in BRL

Note no	Particulars	As at 31 Mar 2020	As at 31 Mar 2019
13	Share capital		
(a)	Authorised		
	1,303,950 equity shares (March 31, 2019: 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, 2019: 1,302,020 equity shares) of BRL 10 each	1,30,20,200	1,30,20,200
		1,30,20,200	1,30,20,200

Notes:

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

Particulars	As at 31 March 2020		As at 31 March 2019	
	Nos of Shares	Amount	Nos of Shares	Nos of Shares
Equity shares				
Shares outstanding at the beginning of the year	1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200
Add: Shares issued during the year				
Shares outstanding at the end of the year	1,30,20,200	1,30,20,200	1,30,20,200	1,30,20,200

(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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Nos of Shares	% of Holding	Nos of Shares	Nos of Shares
Alivira, Brazil	91,14,140	70.00%	91,14,140	91,14,140
Abilio Cozer Tardin	14,45,242	11.10%	14,45,242	14,45,242
Ernesto Antônio Wegher	7,81,212	6.00%	7,81,212	7,81,212
José Nunes Filho	7,42,151	5.70%	7,42,151	7,42,151

14 Other Equity

a) Retained Earnings	7,95,887	(2,84,131)
b) General reserve	(2,12,47,260)	(2,12,47,260)
	(2,04,51,373)	(2,15,31,391)

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

Unsecured - Fitch Participacoes Ltda	41,10,008	35,13,325
Unsecured Judicial liabilities	38,52,682	38,45,007
	79,62,690	73,58,331

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

Particulars	Terms of repayment	As at Mar 2020	As at Mar 2019
FITCH PARTICIPACOES LTDA: The Company has obtained the loan through various disbursements. The rate of interest is 1.10% on the loan outstanding. However it is changes to 0.54% per month from 1st Jan 2020	Amendment effective from January'20, equated monthly instalment of BRL 40,000 of 163 installments	43,15,549	41,13,325
Judicial Liabilities: The Company has received the judicial recovery judgement dated May 7, 2015 from the 2nd Civil Court of the District of Campinas, Sau 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	44,24,682	42,22,597

Gross Amount	87,40,232	83,35,922
Less: Current maturity of long term debt	7,77,541	9,77,590
	79,62,690	73,58,331



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2020
All amounts are in BRL.

Note no	Particulars	As at 31 Mar 2020	As at 31 Mar 2019
16	Non-current liabilities - Other financial liabilities		
	Statutory remittances	6,99,565	8,36,225
	Interest Accrued & not Due	-	7,30,325
	Other Obligations	2,06,441	-
		<u>9,06,006</u>	<u>15,66,550</u>
17	Current Liabilities- Financial Liabilities - Short term borrowings		
	Loans repayable on demand		
	From banks		
	I. Secured	58,49,952	16,29,884
	(Company has taken short term USD/BRL credit secured against current asset at the rate of 7% to 17%)		
		<u>58,49,952</u>	<u>16,29,884</u>
18	Current - Financial liabilities		
	Trade payable	1,44,42,434	74,64,976
		<u>1,44,42,434</u>	<u>74,64,976</u>
19	Current - Other financial liabilities		
	Current maturities of long-term debt	7,77,541	9,77,590
	Payable for Fixed asset	7,29,167	-
	Other current liabilities	5,69,960	4,86,981
		<u>20,76,668</u>	<u>14,64,571</u>
20	Other Current Liabilities		
	Other payables		
	(i) Statutory remittances	7,61,152	9,28,829
	(ii) Advances from customers	5,558	2,434
		<u>7,66,710</u>	<u>9,31,263</u>
21	Current tax liabilities (Net)		
	Provision for taxation	3,36,702	6,23,464
		<u>3,36,702</u>	<u>6,23,464</u>

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INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Notes to the financial statements for the year ended 31 March, 2020

All amounts are in BRL.

Note no	Particulars	Year Ended 31st Mar'20	Year Ended 31st Mar'19
22	Revenue from operations		
	Sale of products	4,44,69,035	3,37,28,289
		<u>4,44,69,035</u>	<u>3,37,28,289</u>
23	Other Income		
	Other non-operating income	-	6,60,853
	Miscellaneous Income	7,205	16,170
		<u>7,205</u>	<u>6,77,024</u>
24	Cost of materials consumed		
	Opening stock	8,85,463	12,86,329
	Add: Purchases	3,29,21,882	2,25,78,506
	Less: Closing stock	36,85,652	8,85,463
		<u>3,01,21,693</u>	<u>2,29,79,372</u>
25	Changes in inventories of finished goods and work-in-progress & intermediates		
	Opening 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>
	Closing stock		
	Work-in-progress and intermediates	1,76,582	1,19,408
	Finished goods	25,03,453	23,90,687
		<u>26,80,035</u>	<u>25,10,095</u>
	Net (increase) / decrease	<u>(1,69,941)</u>	<u>(6,95,948)</u>
26	Employee benefits expense		
	Salaries and wages	14,11,910	12,95,980
	Contribution to funds/other funds	6,97,176	5,74,245
	Staff welfare expenses	12,34,164	9,26,702
		<u>33,43,250</u>	<u>27,96,928</u>
27	Finance costs		
	Interest expense	10,39,965	12,74,389
	Other borrowing costs	80,268	74,749
	Lease Interest costs	3,44,058	-
		<u>14,64,291</u>	<u>13,49,138</u>
28	Depreciation and amortization expense		
	Tangible assets	3,24,062	62,674
	Intangible assets	1,25,000	-
		<u>4,49,062</u>	<u>62,674</u>



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2020
All amounts are in BRL.

Notes no	Particulars	Year Ended 31st Mar'20	Year Ended 31st Mar'19
29	Other expenses		
	Travel expenses	55,354	5,86,369
	Communication expenses	38,072	32,298
	Contract labour charges	58,648	56,527
	Legal and Professional charges	6,71,909	26,72,505
	Freight and forwarding	9,32,379	10,24,367
	Power and fuel	1,31,295	97,001
	Rent	16,095	6,88,673
	Analytical charges	3,92,457	2,60,986
	Repairs to buildings	39,754	44,258
	Repairs to machinery	1,77,828	1,12,040
	Repairs to others	35,678	32,159
	Research & Development	98,213	4,26,842
	Insurance	16,630	13,964
	Commission on sales	13,44,818	9,91,932
	Production Waste Disposal	21,927	11,273
	Water & Sewage	61,531	70,889
	Other Office Expenses	3,20,183	2,26,054
	Advertisement and selling expenses	1,85,215	1,09,962
	Rates and taxes	1,88,452	1,85,107
	Net loss on foreign currency transactions and translation	34,02,324	9,14,984
	Provision for doubtful trade receivables	-	95,888
	Other expenses	1,38,680	1,21,669
		83,27,444	87,75,747
30	Tax expense		
	Current tax	-	4,84,132
	Deferred tax	(2,12,595)	49,72,810
	Prior Period Tax	-	(71,76,215)
		(2,12,595)	(17,19,273)



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
Notes to the financial statements for the year ended 31 March, 2020
All amounts are in BRL.

31 Details of leasing arrangements

The Company's significant leasing arrangement is mainly in respect of office premises, fork lift, Lift platform & Server; the aggregate lease rent payable on these leasing arrangements charged to Statement of Profit and Loss is BRL 4,81,417

The following is the movement in lease liabilities during the year ended 31 March 2020:

Balance as at 1 April 2019	22,11,516
Accretion of interest	3,44,059
Payments	<u>(4,81,417)</u>
Balance as at 31 March 2020	<u>20,74,158</u>
Current	1,61,020
Non-current	19,13,138

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

The following are the amounts recognised in profit or loss:

	Year ended
	31 March 2020
Depreciation expense of right-of-use assets	2,41,950
Interest expense on lease liabilities	3,44,059
Total amount recognised in profit or loss	<u>5,86,008</u>

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an

	As at 31 March 2020
Less than one year	1,61,020
Between one and five years	6,82,452
More than five years	12,30,686

32 Earnings per share

Particulars	01 Apr 2019 to 31 March, 2020	01 Apr 2018 to 31 March, 2019
Net profit / (loss) for the period as per statement of profit and loss	11,53,035	8,56,675
Net profit / (loss) for the period attributable to the equity shareholders	11,53,035	8,56,675
Weighted average number of equity shares	1,30,20,200	1,30,20,200
Earnings / (Loss) per share - Basic	0.09	0.07
Earnings / (Loss) per share - Diluted	0.09	0.07

33 Segment information

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

Primary segment: Business segment

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

34 Contingent liabilities and commitments

(i) Contingent liabilities

There is no contingent liabilities and commitments as at 31st March 2020

(ii) Commitments

	As at	As at
	31 Mar 2020	31 Mar 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible Fixed assets	Nil	Nil
Intangible Fixed assets	Nil	Nil



35 Details on derivatives instruments and unhedged foreign currency exposures

Derivatives 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 2020

Currency	Amount in US Million	Buy/Sell	Cross Currency
USD - (as on 31 March 2019)			
USD - (as on 31 March 2020)	0.365	Buy	BRL

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

Foreign currency	2019-20	2018-19
	USD	USD
Payable (Vendor)	21,87,067	17,37,031
Payable (Loan Principal)	3,99,642	-
Payable (Loan Interest)	39,588	-
Receivable	41,307	38,290
Net Exposure	26,67,604	17,75,321

Foreign currency	2019-20	2018-19
	EUR	EUR
Payable	33,492	387
Receivable	-	-
Net Exposure	33,492	387



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.
 Notes to the financial statements for the year ended 31 March, 2020
 All amounts are in BRL.

36 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

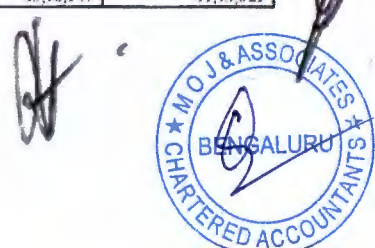
Fitch Participacoes Ltda

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 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
(i) Sales of materials Evance Saude Animal Ltda	66,23,001	14,10,666		
(ii) Professional/ Support Charges				
José Nunes Filho	10,518	3,18,672		
Claudinei de Castro Vieira	26,997	2,72,532		
Marcelo Ziani	33,486	3,21,198		
Ricardo Wegher	17,000	1,83,738		
(iii) Managerial remuneration José Nunes Filho	-	51,526		
(iv) Interest Expenses Fitch Participacoes Ltda			4,82,514	5,22,502
(v) Loan repaid during the year Fitch Participacoes Ltda			2,77,500	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 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
(i) Debtors balance Evance Saude Animal Ltda	16,91,434	12,36,117		
(ii) Creditors balance Alivira Animal Health Limited,	2,297	1,714		
(iv) Loan given Evance Saude Animal Ltda	2,25,087	97,844		
(iv) Loan Outstanding Fitch Participacoes Ltda			43,15,549	41,13,325



INTERCHANGE VETERINÁRIA INDÚSTRIA E COMÉRCIO LTDA.

Notes to the financial statements for the year ended 31 March, 2020

All amounts are in BRL unless otherwise stated

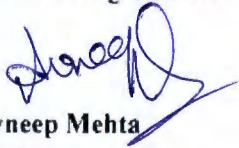
- 37 Pursuant to the special tax regularization scheme of Interchange in Brazil in the previous year ended 31 March 2019 with the Attorney of the National Treasury and Federal Revenue of Brazil, the Company had entered into the arrangement with the restructuring towards credit waived \ waiver obtained 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

MOJ & ASSOCIATES

Chartered Accountants

ICAI firm registration number: 015425S



Avneep Mehta

Partner

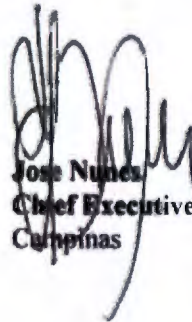
Membership no. 225441

Bengaluru

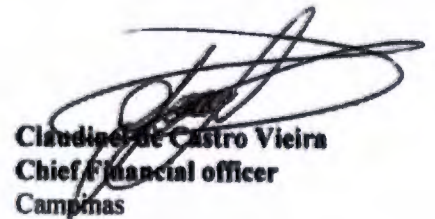
Date: 7th May 2020



FOR AND ON BEHALF OF THE COMPANY



Jose Nunes
Chief Executive officer
Campinas



Claudine de Castro Vieira
Chief Financial officer
Campinas