

# **Axis Crop Science Pvt. Ltd.**

(Subsidiary of Sharda Cropchem Limited)

CIN: U01100MH2009PTC189472

Tel. : +91 22 66782800

FAX : +91 22 66782828 / 66782808

E-mail : axispurchase@shardaintl.com

Regd. Office : Dornic Holm, 29<sup>th</sup> Road, Bandra (W), Mumbai - 400050. India.



## **DIRECTORS' REPORT**

To,  
The Members of  
Axis Crop Science Private Limited

Your Directors have pleasure in presenting their report and audited accounts for the year ended March 31, 2016.

### **FINANCIAL PERFORMANCE:**

Particulars	(Rs. In Lacs)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Revenue from Operations	2,930.78	3,231.65
Other Income	2.52	25.43
Total Income	2,933.30	3,257.08
Total Expenses	3,094.67	3,202.30
Profit/(Loss) before tax and before prior period adjustments	(161.37)	54.78
Current Tax & Deferred Tax	7.45	16.10
Profit/(Loss) after tax and before prior period adjustments	(168.82)	38.68
Prior period adjustments	--	(2.84)
Profit/(Loss) for the year	(168.82)	35.84

### **OPERATIONAL PERFORMANCE & FUTURE OUTLOOK:**

The Company achieved sound business performance. The Company's Revenue from Operations has decreased by 9.31% from Rs. 3,231.65 Lacs in FY 2014-15 to Rs. 2,930.78 Lacs in FY 2015-16. The Company has reported Net Loss of Rs. 168.82 Lacs in FY 2015-16.

### **DIVIDEND:**

Since there were losses during the year under review, no dividend was declared by the Company.

### **SHARE CAPITAL:**

The paid up Equity Share Capital of the Company as on March 31, 2016 was Rs. 16.67 Lacs. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. As on March 31, 2016, none of the Directors of the Company hold shares of the Company.

Further, during the year under review, the promoters have not acquired/sold any shares of the Company.

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## **DEPOSITS:**

Your company has not accepted/invited deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

## **SUBSIDIARY COMPANIES/ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary or Associate Company.

## **RELATED PARTY TRANSACTIONS:**

All Related Party Transactions entered into during the financial year are on arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

## **DIRECTORS:**

As on March 31, 2016, the Company has Four Directors. During the year under review, there was no change in the Board of Directors of the Company.

### **Directors Retiring by Rotation:**

In accordance with the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Manish R. Bubna, (DIN: 00137394), Director of the Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

The information of Directors seeking appointment/re-appointment as required pursuant to Regulation 36(3) of the SEBI Regulations, is provided in the notice covering the Annual General Meeting of the Company.

### **Number of Meetings of the Board:**

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses.

The Board met five times during the FY 2015-16 viz, 27<sup>th</sup> May, 2015, 6<sup>th</sup> August, 2015, 30<sup>th</sup> November, 2015, 23<sup>rd</sup> December, 2015 and 10<sup>th</sup> February, 2016.

## **STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, M/s. C Shah & Co., Chartered Accountants, (Firm No. 131437W) as the Statutory Auditor of the Company till the 12<sup>th</sup> Annual General

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Meeting of the Company, subject to ratification by the Shareholders at every Annual General Meeting.

The Statutory Auditor has given an un-modified audit report for the Financial Year ended March 31, 2016.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder are given in the notes to Financial Statements.

## **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of Annual Return in Form MGT-9 as required under Section 92 of Companies Act, 2013 forms an integral part of this Report as **Annexure – 1**.

## **PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are not applicable to the Company.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanation obtained by them, the Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- (a) That in the preparation of the Annual Financial Statements for the year ended March 31, 2016; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b) That such accounting policies as mentioned in the notes to the Financial Statements have been selected and applied consistently and judgements and estimates have been made that are reasonable and prudent so as to give true and fair view of the Statement of Affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date.
- (c) That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) That the Annual Financial Statements have been prepared on a going concern basis.
- (e) That proper Internal Financial Controls were in place and that the Financial Controls were adequate and were operating effectively.

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- (f) That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

The provisions of Section 134(1)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has no Foreign Exchange Earnings and outgo transactions during the current financial year.

## **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation, for the support and contribution made by the employees at all levels and also wish to thank all its customers, dealers, agents, suppliers and bankers for their continued support and faith reposed in the Company.

On behalf of the Board of Directors

**RAMPRAKASH V. BUBNA  
CHAIRMAN & DIRECTOR  
DIN # 00136568**

PLACE: MUMBAI  
DATE: MAY 23, 2016

**ANNEXURE 1**

**FORM NO. MGT.9  
EXTRACT OF ANNUAL RETURN  
as on the Financial Year ended March 31, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of  
The Companies (Management and Administration) Rules, 2014]

**1. Registration and Other Details:**

Particulars	Details
CIN	U01100MH2009PTC189472
Registration Date	January 09, 2009
Name of the Company	Axis Crop Science Private Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Domnic Holm, 29 <sup>th</sup> Road Bandra (West), Mumbai – 400 050 Tel. No.: 91 22 6678 2800 Fax No.: 91 22 6678 2828 Email id: <a href="mailto:axisaccounts@shardaintl.com">axisaccounts@shardaintl.com</a>
Whether listed company	No
Name, Address and Contact Details of Registrar and Transfer Agent, if any	None

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
Agrochemicals	46692	100

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Sharda Cropchem Limited Domnic Holm, 29 <sup>th</sup> Road Bandra (West), Mumbai – 400 050	L51909MH2004P LC145007	Holding	100	Section 2 (87)

**4. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE TOTAL EQUITY)**

**i. Category-wise Share Holding**

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Category of Share holders	No. of Shares held at the beginning of the year (As on April 01, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	De mat	Physical	Total	% of Total shares	De mat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	1	1	0.00	0	1	1	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other (Indian Company)	0	1,66,666	1,66,666	100.00	0	1,66,666	1,66,666	100.00	0.00
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>1,66,667</b>	<b>1,66,667</b>	<b>100.00</b>	<b>0</b>	<b>1,66,667</b>	<b>1,66,667</b>	<b>100.00</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>#Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>0</b>	<b>1,66,667</b>	<b>1,66,667</b>	<b>100.00</b>	<b>0</b>	<b>1,66,667</b>	<b>1,66,667</b>	<b>100.00</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00

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Capital Funds									
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i) Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
i) Non Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1) + B(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>

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C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
<b>*GRAND TOTAL (A)+(B)+(C)</b>	<b>0</b>	<b>1,66,667</b>	<b>1,66,667</b>	<b>100.00</b>	<b>0</b>	<b>1,66,667</b>	<b>1,66,667</b>	<b>100.00</b>	<b>0.00</b>

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2015)			Shareholding at the end of the year (As on March 31, 2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sharda Cropchem Limited	166,667	100.00	0.00	100.00	0.00	0.00	0.00

iii. Changes in Promoters' Shareholding (please specify, if there is no change)

Sr No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. Shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year				

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - None

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v. **Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
Mr. Ramprakash V. Bubna (As as nominee of Sharda Cropchem Limited)	1	0.00	1	0.00
Mr. Ashish R. Bubna	0	0.00	0	0.00
Mr. Manish R. Bubna	0	0.00	0	0.00
Mr. Anil G. Kumta	0	0.00	0	0.00

None of the other Directors hold any shares of the company at the beginning of the year and at the end of the year and none of the other directors had any transaction in the shares of the Company during the year.

5. **INDEBTEDNESS**

*Indebtedness of the Company including interest outstanding/accrued but not due for repayment*

(Amount in Rs. Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	0.00	1,726.38	0.00	1,726.38
ii) Interest due but not paid	0.00	134.59	0.00	134.59
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>1,860.97</b>	<b>0.00</b>	<b>1,860.97</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	100.00	0.00	100.00
Reduction	0.00	30.00	0.00	30.00
<b>Net Change</b>	<b>0.00</b>	<b>70.00</b>	<b>0.00</b>	<b>70.00</b>
<b>Indebtedness at the end of the financial Year</b>				
i) Principal Amount	0.00	1,930.97	0.00	1,930.97
ii) Interest due nut not paid	0.00	55.48	0.00	55.48
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>0.00</b>	<b>1,986.45</b>	<b>0.00</b>	<b>1,986.45</b>

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6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Anil Kumta (Whole time Director)	
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6,00,000	6,00,000
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit (Refer Note)	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	6,00,000	6,00,000
	Ceiling as per the Act	30,00,000	30,00,000

B. Remuneration to other Directors: None

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: None

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

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## **Independent Auditors' Report**

### **To the members of Axis Crop Science Private Limited**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Axis Crop Science Private Limited ('the Company'), which comprise the balance sheet as at 31 March, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility for the Standalone Financial Statements**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March



2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has no pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For **C. Shah & Co.**  
Chartered Accountants  
Firm's registration number: 131437W

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**Chintan Shah**

Proprietor

Membership number: 130102



Mumbai

23 May 2016

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets every three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.
- (ii) (a) The Company does have an annual programme of physical verification of its inventory and the same was conducted at the year end.
- (b) In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company has been maintaining proper records of inventory and no material discrepancies were noticed upon stock statements received from various warehouses.
- (iii) (a) The Company has not granted loans to any parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph (iii)(b) & (c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii)(a) According to the information and explanations given to us and on the basis of our



examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of value added tax, service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our



examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **C. Shah & Co.**  
Chartered Accountants  
Firm's registration number: 131437W

*Chintan Shah*

**Chintan Shah**  
Proprietor  
Membership number: 130102



Mumbai  
23 May 2016



## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Axis Crop Science Private Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an



understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components



of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **C. Shah & Co.**

Chartered Accountants

Firm's registration number: 131437W

*esh*



**Chintan Shah**

Proprietor

Membership number: 130102

Mumbai

23 May 2016

**AXIS CROP SCIENCE PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

(Rs. in lacs)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	16.67	16.67
Reserves and surplus	4	(140.42)	28.40
	(A)	<b>(123.75)</b>	<b>45.07</b>
<b>Non-current liabilities</b>			
Long-term provisions	5	20.14	11.66
Deferred tax liabilities (net)	12	1.68	-
	(B)	<b>21.82</b>	<b>11.66</b>
<b>Current liabilities</b>			
Short-term borrowings	6	1,930.97	1,726.38
Trade payables	7	740.76	789.03
Other current liabilities	8	338.20	394.60
Short-term provisions	9	1.93	16.95
	(C)	<b>3,011.86</b>	<b>2,926.96</b>
<b>TOTAL (A+B+C)</b>		<b>2,909.93</b>	<b>2,983.69</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	13.06	11.72
Intangible assets	11	0.21	0.46
Deferred tax assets (net)	12	-	5.78
Long-term loans and advances	13	2.55	2.40
	(D)	<b>15.82</b>	<b>20.36</b>
<b>Current assets</b>			
Inventories	14	587.01	725.97
Trade receivables	15	2,165.18	2,020.17
Cash and bank balances	16	100.68	179.98
Short-term loans and advances	17	39.05	31.89
Other current assets	18	2.19	5.32
	(E)	<b>2,894.11</b>	<b>2,963.33</b>
<b>TOTAL (D+E)</b>		<b>2,909.93</b>	<b>2,983.69</b>
<b>Summary of significant accounting policies</b>	2.1		

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

As per our report of even date  
For C. SHAH & CO.  
Firm Registration No. 131437W  
Chartered Accountants



**Chintan Shah**  
Proprietor  
Membership Number - 130102

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2016

For AXIS CROP SCIENCE PRIVATE LIMITED



**R. V. Bubna**  
Director

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2016

*Ashish R Bubna*

**Ashish R Bubna**  
Director

**AXIS CROP SCIENCE PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**

(Rs. in lacs)

Particulars	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
<b>Income:</b>			
Revenue from operations (net)	19	2,930.78	3,231.65
Other income	20	2.52	25.43
<b>Total income</b>	(i)	<b>2,933.30</b>	<b>3,257.08</b>
<b>Expenses:</b>			
Purchase goods		2,124.35	2,715.60
(Increase)/decrease in inventories	21	138.96	(270.35)
Employee benefits expenses	22	291.80	277.09
Depreciation and amortization expenses	23	2.62	4.04
Finance costs	24	147.25	149.65
Other expenses	25	389.69	326.27
<b>Total expense</b>	(ii)	<b>3,094.67</b>	<b>3,202.30</b>
<b>Profit / (loss) before tax and before prior period adjustments</b>		<b>(161.37)</b>	<b>54.78</b>
<b>Tax expenses:</b>			
Current tax		-	13.81
Deferred tax		7.45	2.29
<b>Total tax expense</b>		<b>7.45</b>	<b>16.10</b>
<b>Profit / (loss) after tax and before prior period adjustments</b>		<b>(168.82)</b>	<b>38.68</b>
Prior period adjustments	26	-	(2.84)
<b>Profit / (loss) for the year</b>		<b>(168.82)</b>	<b>35.84</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (Rs.)	27	(101.29)	21.50
Face value per share (Rs.)		10.00	10.00
<b>Summary of significant accounting policies</b>	2.1		

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

As per our report of even date  
For C. SHAH & CO.  
Firm Registration No. 131437W  
Chartered Accountants

*eshah*

**Chintan Shah**  
Proprietor  
Membership Number - 130102

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2016



For AXIS CROP SCIENCE PRIVATE LIMITED

*R. V. Bubna*

**R. V. Bubna**  
Director

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2016

*Ashish R Bubna*

**Ashish R Bubna**  
Director

**AXIS CROP SCIENCE PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(Rs. in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Cash flow from operating activities</b>		
Profit / (loss) before tax from continuing operations	(161.37)	54.78
<b>Profit / (loss) before tax</b>	<b>(161.37)</b>	<b>54.78</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation / amortization on continuing operation	2.62	4.04
Provision for gratuity	8.91	6.04
Bad debts	8.37	0.14
Interest expense	147.25	149.65
Dividend income	(0.04)	(1.23)
Interest income	(0.35)	(0.33)
<b>Operating profit before working capital changes</b>	<b>5.39</b>	<b>213.09</b>
Increase / (decrease) in trade payables	(48.27)	309.13
Increase / (decrease) in other current liabilities	(56.40)	238.38
Increase/(decrease) in long term and short term provisions	(15.45)	(68.16)
Decrease/(increase) in long term and short term loans and advances	2.89	1.42
Decrease / (increase) in trade receivables	(153.38)	(676.51)
Decrease / (increase) in inventories	138.96	(270.34)
Decrease / (increase) in other current assets	3.13	(5.32)
<b>Cash generated from / (used in) operations</b>	<b>(123.13)</b>	<b>(258.31)</b>
Prior period adjustments	-	(2.84)
Direct taxes paid (net of refunds)	(10.20)	(36.00)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(133.33)</b>	<b>(297.15)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital work - in - progress and capital advances	(3.71)	(3.38)
Redemption of current investments	47.00	96.00
Purchase of current investments	(47.00)	(96.00)
Bank deposits	(0.31)	(0.28)
Dividends received	0.04	1.23
Interest income	0.35	0.33
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(3.63)</b>	<b>(2.10)</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	-	(0.38)
Proceeds from short-term borrowings	204.59	493.00
Interest paid	(147.25)	(149.65)
<b>Net cash flow from / (used in) in financing activities (C)</b>	<b>57.34</b>	<b>342.97</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(79.62)</b>	<b>43.72</b>
Cash and cash equivalents at the beginning of the year	176.07	132.35
<b>Cash and cash equivalents at the end of the year</b>	<b>96.45</b>	<b>176.07</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.09	0.09
With banks in current account	96.36	175.98
<b>Total cash and cash equivalents</b>	<b>96.45</b>	<b>176.07</b>
<b>Summary of significant accounting policies</b>	<b>2.1</b>	

As per our report of even date  
For C. SHAH & CO.  
Firm Registration No. 131437W  
Chartered Accountants

*eshah*

**Chintan Shah**  
Proprietor  
Membership Number - 130102



For AXIS CROP SCIENCE PRIVATE LIMITED

*R. V. Bubna*

**R. V. Bubna**  
Director

*Ashish R Bubna*

**Ashish R Bubna**  
Director

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2016

Place: Mumbai  
Date: 02<sup>nd</sup> M... 2016

**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

**NOTE 1. CORPORATE INFORMATION**

Axis Crop Science Private Limited ('Company') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in marketing and distribution of agro chemicals, i.e insecticides and pesticides in India.

**NOTE 2. BASIS OF PREPARATION**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under historical cost convention on a going concern basis.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

**2.1 Summary of significant accounting policies**

**(a) Use of estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon managements best knowledge of current events and actions, actual results could differ from these estimates.

**(b) Tangible fixed assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**(c) Depreciation on tangible fixed assets**

Depreciation is provided after impairment, if any, using the straight line method as per the useful lives of the assets estimated by the management, or at rates prescribed under Schedule II of the Companies Act 2013, whichever is higher. Fixed assets are depreciated equally over estimated useful life as under:

<b>Asset class</b>	<b>Estimated useful life (years)</b>
Furniture & fixtures	10
Motor car	8
Office equipments	5
Computer	3
Cylinder	15

**(d) Intangible assets and amortisation**

Intangible Assets are stated at cost less accumulated amortisation. Expenses on implementation of computer software are amortised on a straight line basis over a period of four years.

**(e) Impairment of tangible and intangible assets**

(i) The carrying amounts of assets are reviewed for impairment at each financial statement reporting date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**(f) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as Current Investments. All other Investments are classified as Non-Current Investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

Non-Current Investments are carried at cost. There are no such investments held by the Company.



**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

**(o) Taxes on income**

Tax expenses comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each financial statement reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(p) Provisions and contingencies**

A provision is recognized when an enterprise has a present 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 a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the financial statement reporting date. These are reviewed at each financial statement reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the note to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Provision is made in the accounts for debts / advances / deposits which, in the opinion of the management, are considered doubtful of recovery.



*[Handwritten signature]*



**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

**(g) Inventories**

Inventories are valued at lower of cost and net realizable value. Cost includes direct material and direct expenses except in the case of Finished Goods where it also includes non-refundable excise duty component. Cost is determined on a weighted average basis.

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

**(h) Retirement and other employee benefits**

Provident Fund is a defined contribution scheme established under a State Plan. The contributions to the scheme are charged to the statement of profit and loss during the year in which the employee renders the related service.

Gratuity liability is a defined benefit obligation which is provided for on the basis of an actuarial valuation on projected unit cost method made at the end of each financial year. The Company does not have a policy of leave encashment (except for Mumbai office employees).

Actuarial gains/(losses) are immediately recognised in statement of Profit and Loss Account and are not deferred.

**(i) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

***Sale of goods***

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer.

***Interest***

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

***Dividends***

Dividend Income is recognized if the Company's right to receive payment is established by the Balance Sheet date.

**(j) Foreign currency transactions**

There are no foreign currency transactions in the Company.

**(k) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

**(l) Earning per share**

Basic Earnings Per Share has been calculated by dividing the Net Profit after Tax/(Loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, etc.

For the purpose of calculating Diluted Earnings Per Share, the Net Profit after Tax /(Loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(m) Segment reporting**

The Company operates in a single and related business segment viz. Agro Chemicals . Therefore, the information required by the Accounting Standard 17 on segment reporting is not applicable to the Company.

**(n) Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand, cash at bank, term deposits with banks and also include short term investments with an original maturity of three months or less.



**AXIS CROP SCIENCE PRIVATE LIMITED****Notes to financial statements for the year ended March 31, 2016**

Note 3: Share capital	(Rs. in lacs)	
	As at March 31, 2016	As at March 31, 2015
<b>Authorised shares</b> 2,50,000 (Previous year: 2,50,000) Equity shares of Rs. 10/- each	25.00	25.00
<b>Issued, subscribed and fully paid-up shares</b> 1,66,667 (Previous year: 1,66,667) Equity shares of Rs. 10/- each	16.67	16.67
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>16.67</b>	<b>16.67</b>

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period:				
Equity shares	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
At the beginning of the year	166,667	16.67	166,667	16.67
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>166,667</b>	<b>16.67</b>	<b>166,667</b>	<b>16.67</b>

**(b) Terms/rights attached to equity shares:**

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company has not declared dividend since inception.

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. The distribution will be in proportion to number of equity shares held by the shareholders.

**(c) List of share holders holding more than 5% equity shares in the company:**

Names	As at March 31, 2016		As at March 31, 2015	
	No. of shares	%	No. of shares	%
M/s. Sharda Cropchem Ltd.	166,667	100.00	166,667	100.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note 4: Reserves and surplus	(Rs. in lacs)	
	As at March 31, 2016	As at March 31, 2015
<b>Securities premium</b>		
Balance as per last financial statements	20.00	20.00
Add: shares issued at a premium	-	-
<b>Closing Balance (A)</b>	<b>20.00</b>	<b>20.00</b>
<b>Surplus / (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	8.40	(27.18)
Add: profit / (loss) for the year	(168.82)	35.84
Less: Transfer to reserve (depreciation impact)	-	(0.26)
<b>Net surplus / (deficit) in the statement of profit and loss (B)</b>	<b>(160.42)</b>	<b>8.40</b>
<b>Total (A+B)</b>	<b>(140.42)</b>	<b>28.40</b>



**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

(Rs. in lacs)

Note 5: Long term provisions	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
-Gratuity (Refer note 28)	20.14	11.66
<b>Total</b>	<b>20.14</b>	<b>11.66</b>

(Rs. in lacs)

Note 6: Short term borrowings	As at March 31, 2016	As at March 31, 2015
Unsecured		
-From director(s)	8.64	7.86
-From holding company	1,922.33	1,718.52
<b>Total</b>	<b>1,930.97</b>	<b>1,726.38</b>

**Note 6.1:** The above loans are repayable on demand and carry an interest rate of 8% p.a.

(Rs. in lacs)

Note 7: Trade payables	As at March 31, 2016	As at March 31, 2015
Trade payables (Refer note 30)	740.76	789.03
<b>Total</b>	<b>740.76</b>	<b>789.03</b>

(Rs. in lacs)

Note 8: Other current liabilities	As at March 31, 2016	As at March 31, 2015
Current maturity of long term borrowings	-	0.23
Interest accrued and due on borrowings	55.48	134.59
<b>Other payables</b>		
-Sales tax payable	1.24	-
-Professional tax payable	0.00	0.05
-TDS payable	1.27	2.48
-Service tax payable	0.00	0.17
-Promotional schemes	77.49	79.12
-Deposits from customers	51.15	41.80
-Advances from customers	11.61	7.34
-Salary & bonus payable	107.51	89.97
-Staff expenses payable	32.45	38.85
<b>Total</b>	<b>338.20</b>	<b>394.60</b>

(Rs. in lacs)

Note 9: Short term provisions	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
-Provident fund	-	1.07
-Gratuity (Refer note 28)	1.93	1.51
Provision for monax Issue	-	14.37
<b>Total</b>	<b>1.93</b>	<b>16.95</b>



AXIS CROP SCIENCE PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2016

Note 10: Tangible assets

Description of assets	Gross block			Depreciation			Net block		
	As at 01.04.2015 (01.04.2014)	Addition during the year	Deductions during the year	As at 31.03.2016 (31.03.2015)	As at 01.04.2015 (01.04.2014)	Provided during the year	Transfer to reserves	As at 31.03.2016 (31.03.2015)	As at 31.03.2015 (31.03.2014)
Furniture and fixtures	0.25 (0.25)	0.55	-	0.80 (0.25)	0.06 (0.02)	0.06 (0.04)	-	0.12 (0.06)	0.19 (0.23)
Motor car	6.72 (6.72)	-	-	6.72 (6.72)	3.72 (2.19)	0.84 (1.53)	-	4.56 (3.72)	3.00 (4.53)
Office Equipments	0.52 (0.52)	0.71	-	1.23 (0.52)	0.11 (0.00)	0.21 (0.11)	-	0.32 (0.11)	0.41 (0.52)
Computer	2.74 (2.74)	0.65	-	3.39 (2.74)	2.38 (1.11)	0.39 (1.04)	-	2.77 (2.38)	0.36 (1.63)
Cylinders	11.11 (7.73)	1.66 (3.38)	-	12.77 (11.11)	3.35 (2.50)	0.73 (0.85)	-	4.08 (3.35)	7.76 (5.23)
Total 2015-16	21.34	3.57	-	24.91	9.62	2.23	-	11.85	11.72
Total 2014-15	(17.96)	(3.38)	-	(21.34)	(5.82)	(3.57)	(0.23)	(9.62)	(12.14)

Note 11: Intangible assets

Description of assets	Gross block			Amortization			Net block		
	As at 01.04.2015 (01.04.2014)	Addition during the year	Deductions during the year	As at 31.03.2016 (31.03.2015)	As at 01.04.2015 (01.04.2014)	Provided during the year	Transfer to reserves	As at 31.03.2016 (31.03.2015)	As at 31.03.2015 (31.03.2014)
Computer Software	2.18 (2.18)	0.14	-	2.32 (2.18)	1.72 (1.22)	0.39 (0.47)	-	2.11 (1.72)	0.46 (0.96)
Total 2015-16	2.18	0.14	-	2.32	1.72	0.39	-	2.11	0.46
Total 2014-15	(2.18)	-	-	(2.18)	(1.22)	(0.47)	(0.03)	(1.72)	(0.96)

Total 2015-16	23.52	3.71	-	27.23	11.34	2.62	-	13.96	12.18
Total 2014-15	(20.14)	(3.38)	-	(23.52)	(12.04)	(4.04)	(0.27)	(11.34)	(13.10)

Note: Figures in bracket represents amount pertaining to previous year.



**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

		(Rs. in lacs)	
Note 12: Deferred tax asset / (liability) (net)		As at March 31, 2016	As at March 31, 2015
<b>Deferred tax liability</b>			
<u>Tax effect of items constituting deferred tax liability</u>			
On difference between book balance and tax balance of fixed assets		1.68	1.64
(A)		<b>1.68</b>	<b>1.64</b>
<b>Deferred tax asset (Refer note 12.1)</b>			
<u>Tax effect of items constituting deferred tax assets</u>			
Difference due to gratuity		-	4.07
Difference due to ex - gratia		-	3.19
Difference due to leave salary		-	0.16
(B)		-	<b>7.42</b>
(B - A)		<b>(1.68)</b>	<b>5.78</b>

		(Rs. in lacs)	
Note 12.1: Deferred tax asset not recognized		As at March 31, 2016	As at March 31, 2015
<b>Deferred tax asset</b>			
<u>Tax effect of items constituting deferred tax assets</u>			
Difference due to business loss		44.32	
Difference due to gratuity		6.82	-
Difference due to ex - gratia		4.13	-
Difference due to leave salary		0.21	-
Total		<b>55.48</b>	-

		(Rs. in lacs)	
Note 13: Long term loans and advances		As at March 31, 2016	As at March 31, 2015
<b>Security deposits</b>			
Unsecured, considered good			
-For godown		2.15	2.15
-With government authorities		0.40	0.25
Total		<b>2.55</b>	<b>2.40</b>

		(Rs. in lacs)	
Note 14: Inventories (valued at lower of cost and net realisable value)		As at March 31, 2016	As at March 31, 2015
-Traded goods		587.01	725.97
Total		<b>587.01</b>	<b>725.97</b>

		(Rs. in lacs)	
Note 15: Trade receivables		As at March 31, 2016	As at March 31, 2015
<b>Unsecured considered good unless stated otherwise</b>			
-Outstanding for more than six months from the date they are due for payment		305.83	213.78
-Other receivables		1,859.35	1,806.39
Total		<b>2,165.18</b>	<b>2,020.17</b>



(Rs. in lacs)

Note 16: Cash and bank balances	As at March 31, 2016	As at March 31, 2015
<b>Cash and cash equivalents</b>		
Balances with banks:		
-Current account	96.37	175.98
Cash on hand	0.09	0.09
<b>Bank Deposits</b>		
Deposits with original maturity for more than 12 months	4.22	3.91
<b>Total</b>	<b>100.68</b>	<b>179.98</b>

Note: Bank deposits have been kept as bank guarantee for VAT / CST Registrations in Punjab, Haryana and Madhya Pradesh.

(Rs. in lacs)

Note 17: Short term loans and advances	As at March 31, 2016	As at March 31, 2015
<b>Advance recoverable in cash or kind</b>		
Unsecured, considered good		
Advance to suppliers	0.88	4.24
<b>Other loans and advances</b>		
Unsecured, considered good		
Advance tax and tax deducted at source (net of provisions)	32.46	22.25
Prepaid expenses	0.58	0.80
Imprest to staff	5.13	4.60
<b>Total</b>	<b>39.05</b>	<b>31.89</b>

(Rs. in lacs)

Note 18: Other current assets	As at March 31, 2016	As at March 31, 2015
-Sales tax receivable	2.05	5.32
-Entry tax receivable	0.14	-
<b>Total</b>	<b>2.19</b>	<b>5.32</b>



*[Handwritten signature]*

**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

	(Rs. in lacs)	
Note 19: Revenue from operations	For year ended March 31, 2016	For year ended March 31, 2015
Revenue from operations		
Sales	3,190.88	3,391.04
	<b>3,190.88</b>	<b>3,391.04</b>
Less: Discounts & rate differences on sales		
Claims for quality & rate	87.08	(18.97)
Turnover discount / product discounts	173.02	178.36
	<b>260.10</b>	<b>159.39</b>
Revenue from operations (net)	<b>2,930.78</b>	<b>3,231.65</b>

Note: Revenue from operations include recoveries (net) of quality and rate difference charges of Nil (Previous year - Rs.27.78 lacs) provided for in earlier years.

	(Rs. in lacs)	
Note 20: Other income	For year ended March 31, 2016	For year ended March 31, 2015
Interest income		
-On fixed deposits	0.35	0.33
-On income tax refund	0.00	0.00
Dividend income		
-On current investments	0.04	1.23
Claims from customers		
-On dishonour of cheques	1.02	2.72
Reversal of Compensation to farmers	-	11.80
Miscellaneous income	1.11	9.35
<b>Total</b>	<b>2.52</b>	<b>25.43</b>

	(Rs. in lacs)		
Note 21: (Increase) / decrease in inventories	For year ended March 31, 2016	For year ended March 31, 2015	(Increase) /decrease
Inventories at the end of the year:			
-Traded goods	587.01	725.97	138.96
A	<b>587.01</b>	<b>725.97</b>	<b>138.96</b>
Inventories at the beginning of the year:			
-Traded goods	725.97	455.62	(270.35)
B	<b>725.97</b>	<b>455.62</b>	<b>(270.35)</b>
(B - A)	<b>138.96</b>	<b>(270.35)</b>	

	(Rs. in lacs)	
Note 22: Employees benefit expense	For year ended March 31, 2016	For year ended March 31, 2015
Salaries, wages and bonus	265.23	253.18
Provident Fund	(1.07)	1.07
Gratuity (Refer note 28)	8.91	6.04
Staff welfare expenses	18.73	16.80
<b>Total</b>	<b>291.80</b>	<b>277.09</b>



**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

(Rs. in lacs)

Note 23: Depreciation and amortization expense	For year ended March 31, 2016	For year ended March 31, 2015
Depreciation		
-On tangible assets	2.23	3.57
Amortization		
-On intangible assets	0.39	0.47
<b>Total</b>	<b>2.62</b>	<b>4.04</b>

(Rs. in lacs)

Note 24: Finance costs	For year ended March 31, 2016	For year ended March 31, 2015
Bank interest	0.02	0.10
Interest paid to others	147.23	149.55
<b>Total</b>	<b>147.25</b>	<b>149.65</b>

(Rs. in lacs)

Note 25: Other Expenses	For year ended March 31, 2016	For year ended March 31, 2015
Bad debts	8.37	0.14
Cash discount	30.13	21.06
Freight and forwarding charges	76.22	84.36
Rent, rates and taxes	28.54	16.61
Insurance	2.20	1.46
Sales promotion expenses	132.86	103.10
Travelling and conveyance	79.11	74.44
Communication costs	8.25	7.24
Office expenses	1.34	1.50
Legal and professional fees	14.58	7.91
Repairs & Maintenance	1.11	1.67
Auditors remuneration (Refer note 25.1)	1.73	1.69
Bank charges	1.60	1.77
Other expenses	3.65	3.32
<b>Total</b>	<b>389.69</b>	<b>326.27</b>

(Rs. in lacs)

Note 25.1: Auditors Remuneration	For year ended March 31, 2016	For year ended March 31, 2015
Statutory audit fees	1.00	1.00
Tax audit fees	0.50	0.50
Service tax	0.23	0.19
<b>Total</b>	<b>1.73</b>	<b>1.69</b>

(Rs. in lacs)

Note 26: Prior period adjustments	For year ended March 31, 2016	For year ended March 31, 2015
VAT expenses	-	0.54
Service tax	-	2.30
<b>Total</b>	<b>-</b>	<b>2.84</b>

(Rs. in lacs)

Note 27: Earning per share (EPS)	For year ended March 31, 2016	For year ended March 31, 2015
<b>Basic and diluted earning per share:</b>		
Profit after taxation as per statement of profit and loss (A)	(168.82)	35.84
Weighted average number of equity share outstanding (B)	166,667.00	166,667.00
Basic and diluted earning per share (A)/(B) (Rs.)	(101.29)	21.50
Nominal value of equity share (Rs.)	10.00	10.00



**AXIS CROP SCIENCE PRIVATE LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

(Rs. in lacs)

<b>Note 28: Retirement benefit plans</b>		
<p>The Company has a Defined Benefit Gratuity plan. Every employee who has completed five year or more of service gets Gratuity on retirement at 15 days of last drawn salary for each completed year of service.</p> <p>Disclosures as required by Accounting Standard ( AS) - 15 (Revised 2005) " Employee Benefits" notified by the Companies (Accounting Standards) Rules, 2006 as amended are given below:</p>		
<b>(a) The amounts recognised on account of Defined Benefit Plan in the statement of Profit &amp; Loss Account are as follows:</b>		
Defined benefit plans	For year ended March 31, 2016	For year ended March 31, 2015
Current service cost	5.28	2.86
Interest cost on benefit obligation	0.96	0.59
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	2.67	2.59
Past service cost	-	-
<b>Net benefit expense under the head Employee benefit expenses in note 22</b>	<b>8.91</b>	<b>6.04</b>
Actual return on plan assets	-	-
<b>(b) The amounts recognised on account of Defined Benefit Plan in the Balance Sheet are as follows:</b>		
Particulars	For year ended March 31, 2016	For year ended March 31, 2015
Present value of defined benefit obligation	22.08	13.17
Less: Fair value of plan assets	-	-
<b>Net liability included under the head provision for gratuity (Refer note 5 and 9)</b>	<b>22.08</b>	<b>13.17</b>
<b>(c) Changes in the present value of defined benefit obligation are as follows:</b>		
Particulars	For year ended March 31, 2016	For year ended March 31, 2015
<b>Opening defined benefit obligation</b>	13.17	7.13
Current service cost	5.28	2.86
Interest cost on benefit obligation	0.96	0.59
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	2.67	2.59
Past service cost	-	-
<b>Closing defined benefit obligation</b>	<b>22.08</b>	<b>13.17</b>
<b>(d) The principal actuarial assumptions as at the Balance Sheet date:</b>		
Particulars	For year ended March 31, 2016	For year ended March 31, 2015
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount rate	7.95%	7.70%
Expected rate of salary increase	7.00%	6.00%
Expected rate of return on asset	N.A.	N.A.
Withdrawal rate	10% at younger age reducing to 2% at older age	5% at younger age reducing to 1% at older age
<p>The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.</p>		

**AXIS CROP SCIENCE PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2016

(Rs. in lacs)

Note 29: Related Party Disclosures:		
<b>(a) Nature of relationship:</b>		
Particulars	For year ended March 31, 2016	For year ended March 31, 2015
	Name of directors	
(i) Key managerial personnel (KMP)	Mr. Anil G Kumta	Mr. Anil G Kumta
(ii) Relatives of key managerial personnel	None	None
(iii) Parent company	M/s. Sharda Cropchem Ltd.	M/s. Sharda Cropchem Ltd.
<b>(b) Related parties with whom transactions have taken place during the year:</b>		
Particulars	For year ended March 31, 2016	For year ended March 31, 2015
	Name of directors	
(i) Key managerial personnel (KMP)	Mr. Anil G Kumta	Mr. Anil G Kumta
(ii) Relatives of key managerial personnel	None	None
(iii) Parent company	M/s. Sharda Cropchem Ltd.	M/s. Sharda Cropchem Ltd.
<b>Related party transactions:</b>		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.		
<b>(a) Transactions with directors &amp; their relatives:</b>		
Particulars	For year ended March 31, 2016	For year ended March 31, 2015
<b>Directors remuneration:</b>		
Mr. Anil G Kumta	6.00	6.00
<b>Leave Encashment:</b>		
Mr. Anil G Kumta	0.13	0.27
<b>Travelling and motor car expenses:</b>		
Mr. Anil G Kumta	4.30	2.96
<b>Telephone expense:</b>		
Mr. Anil G Kumta	0.24	0.26
<b>Outstanding interest on loan taken converted into loan:</b>		
Mr. Anil G Kumta	0.78	-
<b>Interest on unsecured loan taken:</b>		
Mr. Anil G Kumta	0.69	0.87



**AXIS CROP SCIENCE PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2016

(Rs. in lacs)

<b>(b) Transactions with holding company:</b>		
Particulars	For year ended March 31, 2016	For year ended March 31, 2015
<b>Unsecured loan taken:</b>		
M/s. Sharda Cropchem Ltd.	100.00	493.00
<b>Outstanding interest on loan taken converted into loan:</b>		
M/s. Sharda Cropchem Ltd.	133.81	-
<b>Unsecured loan taken repaid:</b>		
M/s. Sharda Cropchem Ltd.	30.00	-
<b>Interest on unsecured loan taken:</b>		
M/s. Sharda Cropchem Ltd.	146.54	148.68
<b>Outstanding Balances:</b>		
	As at March 31, 2016	As at March 31, 2015
<b>Unsecured Loan taken:</b>		
M/s. Sharda Cropchem Ltd.	1,922.33	1,718.52
Mr. Anil Kumta	8.64	7.86
<b>Interest payable on loan taken:</b>		
M/s. Sharda Cropchem Ltd.	54.86	133.81
Mr. Anil Kumta	0.62	0.78
<b>Note 30: Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:</b>		
The identification of Micro, Small and Medium enterprises is based on the managements knowledge of their status. The Company has not received any intimation from suppliers regarding their status under "The Micro, Small and Medium Enterprises Development Act, 2006".		

**Note 31: Going concern:**

The company has prepared its books of accounts on a going concern basis. As at March 31, 2016, the net worth of the company is eroded. The holding company has given a letter of support stating that it will continue to support the company till the company is capable of generating its own funds.

**Note 32: Previous year figures:**

The Company has regrouped/reclassified previous year figures to confirm with current year's classification.

As per our report of even date  
For C. SHAH & CO.  
Firm Registration No. 131437W  
Chartered Accountants

Chintan Shah  
Proprietor  
Membership Number - 130102

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2016

For AXIS CROP SCIENCE PRIVATE LIMITED

R. V. Bubna  
Director

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2016

Ashish R. Bubna  
Director

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