

Report on the Financial Statements

We have audited the accompanying financial statements of **SHARDA BENELUX BVBA**, which comprises the statement of financial position for the year ending 31.12.2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, 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.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of **SHARDA BENELUX BVBA** for the year ending 31.12.2016 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

**For V.K.BESWAL & ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REGISTRATION NO:101083W**



**CA K.V.BESWAL
PARTNER
M.NO.131054
PLACE : MUMBAI
DATED : 17.04.2017**

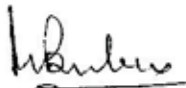


SHARDA BENELUX BVBA

**Statement of Financial Position
As at 31st December, 2016**

	Notes	31-Dec-16 US \$	31-Dec-15 US \$
ASSETS			
Current assets			
Cash and bank balances	3	524	2,425
TOTAL ASSETS		524	2,425
EQUITY AND LIABILITIES			
Equity			
Share capital	4	8,829	8,829
Other Reserves	5	267	81
Retained earnings	5	(13,122)	(11,218)
Equity funds		(4,026)	(2,308)
Current liabilities			
Loans	6	4,550	4,733
Total Current Liabilities		4,550	4,733
TOTAL EQUITY AND LIABILITIES		524	2,425

For Sharda Benelux BVBA



R. V. Bubna

17 APR 2017



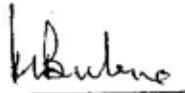
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SHARDA BENELUX BVBA

Statement of Comprehensive Income
for the year ended 01.01.2016 to 31.12.2016

	<u>Notes</u>	<u>01-Jan-16 to 31-Dec-16 US \$</u>	<u>01-Jan-15 to 31-Dec-15 US \$</u>
Revenue		-	-
Cost of sales		-	-
Revenue from operations		-	-
Administration expenses	7	757	1,667
Other expenses	8	1,063	171
Profit /(Loss) from operations		(1,820)	(1,838)
Finance costs	9	84	69
Finance costs - net		84	69
Profit /(Loss) for the period		(1,904)	(1,907)
Other Comprehensive Income			
Foreign currency translation difference		267	81
Total Other Comprehensive Income		267	81

For Sharda Benelux BVBA



R. V. Bubna

17 APR 2017

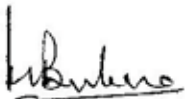



SHARDA BENELUX BVBA

Statement of Cash flows
for the year ended 01.01.2016 to 31.12.2016

	01-Jan-16 to 31-Dec-16 US \$	01-Jan-15 to 31-Dec-15 US \$
Cash flows from operating activities		
Net loss for the period	(1,907)	(1,490)
Adjustments for:		
Finance costs (net)	69	81
Operating loss before working capital changes	(1,838)	(1,409)
Unsecured loans from related parties	868	884
Current liabilities	-	(634)
Net cash (used in) operating activities	(970)	(1,159)
Cash flows from investing activities		
Net cash (used in) investing activities	-	-
Cash flows from financing activities		
Finance costs paid	(69)	(81)
Proceeds from/(repayment of) short term borrowings	-	-
Net cash from financing activities	(69)	(81)
Net changes in cash and cash equivalents	(1,039)	(1,240)
Foreign currency translation difference	81	11
Cash and cash equivalents at beginning of period	3,383	4,612
Cash and cash equivalents at the end of the period	2,425	3,383

For Sharda Benelux BVBA



R. V. Bubna

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SHARDA BENELUX BVBA

**Statement of Changes in Equity
for the year ended 01.01.2016 to 31.12.2016**

	<i>Share Capital</i>	<i>Accumulated profits</i>	<i>Foreign currency translation reserve</i>	<i>Total</i>
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
Net profit for the period	-	(1,907)	-	(1,907)
Other Comprehensive Income			81	81
As at 31st December 2015	8,829	(11,218)	81	(2,308)
Net profit for the period	-	(1,904)		(1,904)
Other Comprehensive Income			186	186
As at 31st December 2016	8,829	(13,122)	267	(4,026)

The Shareholder as at 31/12/2015 and its interest as of that date in share capital of the company are as follows:-

Name of Shareholder	Incorporate in Coun	No. of Shares	Amount in Euro	Amount in USD
Sharda International DMCC	UAE	100	6,200	8,829



Significant accounting policies:

a) Financial Instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

Non derivative financial assets

Initial Recognition and Measurement

Financial assets are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent Measurement

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables.

Derivative financial instruments:

A derivative financial instrument is one with all three of the following characteristics:

Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');

It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

It is settled at a future date.

Recognition and Measurement

Derivative Financial Instruments

The company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in income statement depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as financial assets and a derivative with a negative fair value is recognized as financial liability.

b) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in income statement when the loans and receivables are derecognized or impaired, and through the amortization process.

c) Foreign currency transactions

Transactions in foreign currencies are converted into Euros at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into Euros at the rate of exchange ruling at the balance sheet date. Resulting gain or loss is taken to the income statement



d) Impairment

The carrying amounts of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement.

e) Trade and other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

f) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

g) Fair values

The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity.

h) Revenue recognition

Sales of goods

Sales represents net amount invoiced for goods delivered during the year. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

The company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the company; and specific criteria have been met for each of the companies' activities.

i) Borrowing costs

Finance expense comprises finance cost on bank borrowing and interest paid to a shareholder is recognized in statement of comprehensive income.

j) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

k) Dividend:

Dividend is paid out of accumulated profits, when declared.



SHARDA BENELUX BVBA

Notes to the Financial Statements
for the year ended 01.01.2016 to 31.12.2016

3 Cash and bank balances

	31-Dec-16 <u>US \$</u>	31-Dec-15 <u>US \$</u>
Bank Balances in current accounts	524	2,425
	<u>524</u>	<u>2,425</u>

4 Share Capital

	31-Dec-16 <u>US \$</u>	31-Dec-15 <u>US \$</u>
Authorised		
100 shares of Euros 62 each	8,829	8,829
Issued and paid up		
100 shares of Euros 62 each	8,829	8,829
	<u>8,829</u>	<u>8,829</u>

5 Reserves and surplus

a) Foreign currency translation reserve

Opening balance	81	-
Add: Profit/(loss) during the year	186	81
Closing balance	<u>267</u>	<u>81</u>

b) Accumulated profits

Opening balance	(11,218)	(9,311)
Add: Profit/(loss) during the year	(1,904)	(1,907)
Closing balance	<u>(13,122)</u>	<u>(11,218)</u>

6 Unsecured Loans

	31-Dec-16 <u>US \$</u>	31-Dec-15 <u>US \$</u>
Others	3,223	3,353
Sharda Europe BVBA	1,327	1,380
Total	<u>4,550</u>	<u>4,733</u>

Related party transactions

For the purpose of this financial statement, parties are considered to be related to the

At the balance sheet date, balances with related parties were as follows:

	31-Dec-16 <u>US \$</u>	31-Dec-15 <u>US \$</u>
Included in current liabilities		
<u>Unsecured loan from related parties:</u>		
Sharda Europe BVBA	1,327	1,380
	<u>1,327</u>	<u>1,380</u>



SHARDA BENELUX BVBA

Notes to the Financial Statements
for the year ended 01.01.2016 to 31.12.2016

7 Administration expenses

	<u>31-Dec-16</u> <u>US \$</u>	<u>31-Dec-16</u> <u>US \$</u>
Company Contribution	385	386
Accounting fees	372	1,281
	<u>757</u>	<u>1,667</u>

8 Other expenses

	<u>31-Dec-16</u> <u>US \$</u>	<u>31-Dec-15</u> <u>US \$</u>
Legal Publication & filings	1,063	171
	<u>1,063</u>	<u>171</u>

9 Finance costs

	<u>31-Dec-16</u> <u>US \$</u>	<u>31-Dec-15</u> <u>US \$</u>
Bank charges	84	69
	<u>84</u>	<u>69</u>

