

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SHARDA URUGUAY S.A.** which comprises the statement of financial position for the year ending 31.03.2017, 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 URUGUAY S.A.** for the year ending 31.03.2017 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 URUGUAY S.A.

Statement of Financial Position  
As at 31st March, 2017

	Notes	US \$ 31-Mar-17	US \$ 31-Mar-16
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	6,623	5,907
Current tax assets	6	168	141
<b>Total current assets</b>		<b>6,791</b>	<b>6,048</b>
<b>TOTAL ASSETS</b>			
		<b>6,791</b>	<b>6,048</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	16,019	16,019
Other reserves			
Retained earnings	8	(10,358)	(10,568)
<b>Equity funds</b>		<b>5,661</b>	<b>5,451</b>
<b>Total equity</b>		<b>5,661</b>	<b>5,451</b>
<b>Current liabilities</b>			
Other liabilities	9	1,130	597
<b>Total current liabilities</b>		<b>1,130</b>	<b>597</b>
<b>Total equity and liabilities</b>		<b>6,791</b>	<b>6,048</b>

For Sharda Uruguay S.A.

*R.V.B.*

PRESIDENT

R.V.B.

17 APR 2017

*A.R.B.*

VICE PRESIDENT

A.R.B.



SHARDA URUGUAY S.A.

Statement of Comprehensive Income  
for the year ended 31 March, 2017

	<u>Notes</u>	<u>US \$</u> Year ended 31 March, 2017	<u>US \$</u> Year ended 31 March, 2016
Revenue		-	-
Cost of sales		-	-
<b>Revenue from operations</b>		-	-
Other Income	10	770	-
Other Expenses	11	(560)	(1,235)
<b>Profit/(Loss) for the period</b>		<b>210</b>	<b>(1,235)</b>
<b>Other comprehensive income</b>			
Foreign currency translation difference		-	-
<b>Total other comprehensive income</b>		-	-
<b>Earnings per share</b>			
Basic and diluted	12	42.00	(247)

For Sharda Uruguay S.A.

*R.V.S.*

PRESIDENT

RVS

17 APR 2017

*A.R.B.*

VICE PRESIDENT

ARB



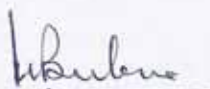
*pk*

SHARDA URUGUAY S.A.

Statement of Cash flows  
for the year ended 31 March, 2017

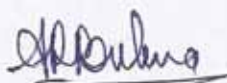
	US \$ Year ended 31 March, 2017	US \$ Year ended 31 March, 2016
<b><u>Cash flows from operating activities</u></b>		
Net Profit /(Loss) for the period	210	(1,235)
Adjustments for:		
<b>Operating Profit/(Loss) before working capital changes</b>	<b>210</b>	<b>(1,235)</b>
Changes in trade and other receivables	(27)	439
Changes in trade and other payables	533	580
<b>Net cash (used in) operating activities</b>	<b>716</b>	<b>(216)</b>
<b><u>Cash flows from investing activities</u></b>		
<b>Net cash (used in) investing activities</b>	-	-
<b><u>Cash flows from financing activities</u></b>		
<b>Net cash from financing activities</b>	-	-
<b>Net changes in cash and cash equivalents</b>	<b>716</b>	<b>(216)</b>
Cash and cash equivalents at beginning of period	5,907	6,123
<b>Cash and cash equivalents at the end of the period</b>	<b>6,623</b>	<b>5,907</b>

For Sharda Uruguay S.A.



PRESIDENT

RJB



VICE PRESIDENT

ARB

17 APR 2017





**SHARDA URUGUAY S.A.**

**Statement of Changes in Equity  
for the year ended 31 March, 2017**

(Amount US\$)

Particulars	Share Capital	Reserves and surplus	
		Retained earnings	Total
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
<b>As at 31st March, 2015</b>	16,019	(9,333)	6,686
Net Profit / (Loss) for the year	-	(1,235)	(1,235)
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(1,235)</b>	<b>(1,235)</b>
<b>As at 31st March, 2016</b>	16,019	(10,568)	5,451
Net Profit / (Loss) for the year		210	210
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>210</b>	<b>210</b>
<b>As at 31st March, 2017</b>	16,019	(10,358)	5,661

The shareholders as at 31/03/2017 and its interest as of that date in share capital of the company are as follows :

Name	Incorporation	No of shares	Uruguyan Peso	US \$
M/S Siddhivinayak International Ltd	UAE	5.00	375,000	16,019

For Sharda Uruguay S.A.

*RVB*

PRESIDENT

RVB

*ARB*

VICE PRESIDENT

ARB

17 APR 2017



*RVB*

**1 Legal status**

- a) Sharda Uruguay S.A. is a limited liability company incorporated on 20.11.2005 in the Eastern Republic of Uruguay.
- b) The company is registered to carry out trading in chemicals.

**2 Basis of preparation**

**a) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) for the purpose of consolidation with M/S Siddhivinayak International Limited.

**b) Basis of measurement**

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

**c) Functional and presentation currency**

The functional currency of the company is Uruguayan Peso (UYU). These financial statements are presented in United States Dollar (USD).

**3 Use of estimates and judgment**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**Judgments made in applying accounting policies**

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows

**Impairment**

At each reporting date, management conducts an assessment of fixed assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to income statement or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

**Key sources of estimation uncertainty and assumptions**

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Inventory provisions**

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

**Impairment**

Assessments of net recoverable amounts of fixed assets and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets. At any time during the period under review the company did not have any fixed assets inventory.



**4 Adoption of new International Financial Reporting Standards**

The following International Financial Reporting Standards, amendments thereto and interpretations that became effective for the current reporting period and which are applicable to the company are as follows:

IAS 24: Related Party Disclosures

Improvements to IFRS

IFRS 7: Financial Instruments: Disclosures

IFRS 1: Presentation of Financial Statements

Their adoption has resulted in presentation and disclosure changes only.

**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 derivate with a negative fair value is recognized as financial liability.

**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.

**b) Foreign currency transactions**

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

**c) 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.

**d) 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 URUGUAY S.A.

Notes to the Financial Statements  
for the year ended 31 March, 2017

	US \$ 31-Mar-17	US \$ 31-Mar-16
<b>5 Cash and bank balances</b>		
Cash in hand	6,623	5,907
	<u>6,623</u>	<u>5,907</u>
<b>6 Current tax assets</b>		
Advance taxes paid	168	141
	<u>168</u>	<u>141</u>
<b>7 Share capital</b>		
<b>Authorised :</b>		
20 shares of 75,000 Uruguayan Peso each	64,076	64,076
<b>Issued and paid up</b>		
5 shares of 75,000 Uruguayan Peso each	16,019	16,019
	<u>16,019</u>	<u>16,019</u>
<b>8 Reserves and surplus</b>		
<b>Accumulated profits</b>		
Opening balance	(10,568)	(9,333)
Add: Profit/(loss) during the year	210	(1,235)
Closing balance	<u>(10,358)</u>	<u>(10,568)</u>
<b>9 Other liabilities</b>		
Fiscal payable	23	19
Accrued expenses	1,107	578
	<u>1,130</u>	<u>597</u>
<b>10 Other income</b>		
Misc Income	732	-
Gain Exchange Rate	38	-
	<u>770</u>	<u>-</u>
<b>11 Other expenses</b>		
Rates and taxes	495	437
Bank charges	49	33
Other Expense	16	765
	<u>560</u>	<u>1,235</u>
<b>12 Earnings per share (EPS)</b>		
<b>Particulars</b>	US \$ 31-Mar-17	US \$ 31-Mar-16
<b>Basic and diluted earning per share:</b>		
Profit after taxation as per statement of profit and loss	210	(1,235)
Weighted average number of equity shares outstanding	5	5
Basic and diluted earning per share	42.00	(247.00)
Nominal Value of equity share (Pesos)	75,000	75,000

