

## Report on the Financial Statements

We have audited the accompanying financial statements of **SHARDA COLUMBIA S.A.**, which comprises the statement of financial position for the year ending 31.03.2018, 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 COLUMBIA S.A.** for the year ending 31.03.2018 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 : 17.04.2018



SHARDA COLOMBIA S.A.

Statement of Financial Position

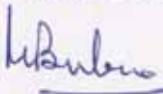
As at 31st March, 2018

	Notes	31-Mar-18 US \$	31-Mar-17 US \$
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed assets	5	10,086	12,764
Deferred Tax Asset		23,803	-
<b>Current assets</b>			
Inventories	7	1,206,233	568,711
Trade and other receivables	8	526,494	616,578
Prepayments	9	79,659	126,309
Cash and Cash equivalents	10	11,406	12,943
<b>TOTAL ASSETS</b>		<b>1,857,681</b>	<b>1,337,305</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	125,391	125,391
Other Equity		112,620	95,495
<b>Equity funds</b>		<b>238,011</b>	<b>220,886</b>
<b>Total Equity</b>		<b>238,011</b>	<b>220,886</b>
<b>Current liabilities</b>			
Trade and other payables	12	1,605,356	1,010,021
Miscellaneous liabilities	13	14,314	12,865
Provisions		-	93,532
		<b>1,619,670</b>	<b>1,116,419</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,857,681</b>	<b>1,337,305</b>

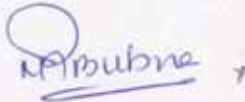
The accompanying notes 1 to 22 form an integral part of these financial statements.

The Independent Reviewer's Report is attached herewith.

For Sharda Colombia S.A.



R.V. Bubna  
Director & President



Manish Bubna  
Director & Secretary



17 APR 2018

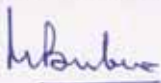
SHARDA COLOMBIA S.A.

Statement of Comprehensive Income  
for the period ended 31st March, 2018

		01/04/2017 to 31/03/2018	01/04/2016 to 31/03/2017
	<u>Notes</u>	<u>US \$</u>	<u>US \$</u>
Revenue	14	1,157,733	1,387,453
Cost of sales	16	744,389	1,100,922
Profit from operating activities		413,344	286,531
Other Income	15	112,658	329,865
Expenses	17	470,918	317,618
Profit/(Loss) from operations		55,084	298,778
Finance Income		494	376
Finance costs	18	7,570	7,492
Finance costs (Net)		(7,076)	(7,116)
Depreciation	5	3,292	2,936
Net profit/(Loss) before tax for the period		44,716	288,727
Current Tax		5,714	90,708
Deffered Tax		(22,552)	
Net Profit/(Loss) for the period		61,554	198,019
Other Comprehensive income			
Prior Period Expenses/Income		-	-
Foreign Currency Translation difference		(44,429)	(26,086)
Total Comprehensive Income		17,125	171,933

The accompanying notes 1 to 22 form an integral part of these financial statements.

For Sharda Colombia S.A.



R.V. Bubna  
Director & President



Manish Bubna  
Director & Secretary



17 APR 2018

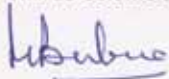
## SHARDA COLOMBIA S.A.

Statement of Cash flows  
for the period ended 31st March, 2018

	01/04/2017 to 31/03/2018 US \$	01/04/2016 to 31/03/2017 US \$
<b>Cash flows from operating activities</b>		
Net Profit/(Loss) for the year before tax	44,716	288,727
<b>Adjustments for:</b>		
Depreciation	3,292	2,936
Finance costs	7,076	7,116
<b>Operating profit/(loss) before working capital changes</b>	<b>55,084</b>	<b>298,778</b>
Changes in miscellaneous assets		-
Changes in Inventories	(637,522)	(298,711)
Changes in Trade and other receivables	90,084	(184,035)
Changes in Prepayments	46,650	(48,324)
Changes in Trade and other payables	595,335	344,467
Changes in miscellaneous liabilities	1,449	(6,892)
<b>Sub total</b>	<b>151,080</b>	<b>105,283</b>
Taxes Paid	(100,497)	(90,708)
<b>Net cash (used in) operating activities</b>	<b>50,583</b>	<b>14,575</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(313)	-
Changes in Capital work in progress ( Ref Note No.6)	-	3,521
<b>Net cash (used in) investing activities</b>	<b>(313)</b>	<b>3,521</b>
<b>Cash flows from financing activities</b>		
Finance costs paid	(7,076)	(7,116)
<b>Net cash from financing activities</b>	<b>(7,076)</b>	<b>(7,116)</b>
<b>Net changes in cash and cash equivalents</b>	<b>43,194</b>	<b>10,981</b>
Cash and cash equivalents at beginning of period	12,943	18,924
Net Foreign exchange difference	(44,731)	(16,962)
<b>Cash and cash equivalents at the end of the period</b>	<b>11,406</b>	<b>12,943</b>

The accompanying notes 1 to 22 form an integral part of these financial statements.

For Sharda Colombia S.A.



R.V. Bubna  
Director & President



Manish Bubna  
Director & Secretary



17 APR 2018

SHARDA COLOMBIA S.A.

Statement of Changes in Equity  
for the year ended 31st March, 2018

	Share capital	Reserves	Foreign currency translation reserve	Total
As at 1st April, 2016	125,391	(546,616)	470,178	(76,438)
Net profit/(loss) for the period	-	198,019		198,019
Other comprehensive income			(26,086)	(26,086)
As at 31st March, 2017	125,391	(348,597)	444,092	95,495
Increase in Share Capital	-			
Net profit/(loss) for the period		61,554		61,554
Other comprehensive income			(44,429)	(44,429)
As at 31st March, 2018	125,391	(287,043)	399,663	112,620

The shareholder as at 31/03/2018 and its interest as of that date in share capital of the Company are as follows:

Name	Incorporation	No. of shares	Peso	USD
M/s.Siddhivinayak International limited.	United Arab Emirates.	28,687.00	286,870,000.00	124,606.80
Mr. Ramprakash Bubna	NA	30.00	300,000.00	156.84
Mr. Ashish Bubna	NA	30.00	300,000.00	156.84
Ms. Sharda Bubna	NA	30.00	300,000.00	156.84
Mr. Manish Bubna	NA	30.00	300,000.00	156.84
Ms. Seema Bubna	NA	30.00	300,000.00	156.84
<b>TOTAL</b>		<b>28,837.00</b>	<b>288,370,000.00</b>	<b>125,391.00</b>

The accompanying notes 1 to 22 form an integral part of these financial statements.



SHARDA COLOMBIA S.A.

Notes to the Financial Statements  
for the period ended 31st March, 2018

5. Fixed assets	<i>Office Equipments</i>	<i>Furniture &amp; Fixtures</i>	<i>Total</i>
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
<b>Cost</b>			
As at 01.04.2017	9,758	12,906	22,663
Addition during the year	-	313	313
As at 31.03.2018	9,758	13,219	22,976
Exchange difference	350	489	839
As at 31.03.2018	<b>10,108</b>	<b>13,707</b>	<b>23,815</b>
<b>Depreciation</b>			
As at 01.04.2017	5,748	4,151	9,900
Charge for the period	1,731	1,561	3,292
Exchange difference	302	236	538
As at 31.03.2018	<b>7,781</b>	<b>5,948</b>	<b>3,830</b>
<b>Net book value</b>			
As at 01.04.2017	<u>4,009</u>	<u>8,754</u>	<u>12,764</u>
As at 31.03.2018	<u><b>2,326</b></u>	<u><b>7,760</b></u>	<u><b>10,086</b></u>

In the opinion of management, there was no impairment in respect of fixed assets.  
Hence carrying value of fixed assets as at 31 March 2018 approximates their net book value.



SHARDA COLOMBIA S.A.  
for the period ended 31st March, 2018

	USD 31-Mar-18	USD 31-Mar-17
<b>7 Inventories</b>		
Trading Goods	1,206,233	568,711
	<u>1,206,233</u>	<u>568,711</u>
<b>8 Trade and other receivables</b>		
Trade receivables	526,494	616,578
	<u>526,494</u>	<u>616,578</u>
<b>9 Prepayments</b>		
Advance to Suppliers	8,426	1,557
Rent deposit	8,092	8,791
Interest On Rent Deposit	1,701	180
Balance with Govt Authority	61,440	115,781
	<u>79,659</u>	<u>126,309</u>
<b>10 Cash &amp; Cash Equivalents</b>		
Cash balance	-	-
Balance with Banks	11,406	12,943
	<u>11,406</u>	<u>12,943</u>
<b>11 Share capital</b>		
Authorised :		
1,00,000 Shares of 10,000 Colombian Pesos each (1,00,000 Shares of 10,000 Colombian Pesos each)	30,000,000	30,000,000
Issued and paid up		
28837 Shares of 10000 Colombian Pesos each (28873 Shares of 10000 Colombian Pesos each)	125,391	125,391
	<u>125,391</u>	<u>125,391</u>
<b>12 Trade and other payables</b>		
Trade payables	1,605,356	1,010,021
	<u>1,605,356</u>	<u>1,010,021</u>
<b>13 Miscellaneous Liabilities</b>		
Advances from customers	1,079	-
For Future Capitalisation	1	1
Duty & Taxes	13,234	12,864
	<u>14,314</u>	<u>12,865</u>



SHARDA COLOMBIA S.A.  
for the period ended 31st March, 2018

	USD 01/04/2017 to 31/03/2018	USD 01/04/2016 to 31/03/2017
<b>14 Revenue from Operations</b>		
Sale of Agrochemicals	1,157,733	1,387,453
	<u>1,157,733</u>	<u>1,387,453</u>
<b>15 Other Income</b>		
Sundry Balance Written Back	428	-
Debts Recd From Insurance co.	80,130	-
Miscellaneous Income	32,100	3,529
Quality Discount Received	-	303,831
Foreign Exchange Gain (Net)	-	22,505
	<u>112,658</u>	<u>329,865</u>
<b>16 Cost of Goods Sold</b>		
Opening balance	568,711	270,000
Purchase	1,367,192	1,381,089
direct expenses	14,719	18,544
Closing balance	1,206,233	568,711
	<u>744,389</u>	<u>1,100,922</u>
<b>17 Expenses</b>		
<u>Administrative Expenses :</u>		
Salary and related expenses	130,570	131,524
Administrative Expenses	9,641	9,807
Postage & Courier charges	713	575
Legal Professional fees	84,832	77,706
Audit Fees	7,119	6,507
Printing & Stationery	870	1,082
Rent	14,520	12,890
Membership and subscription fees	842	803
Exchange loss (net)	17,850	-
Sales promotions	8,309	4,457
Travelling Expenses	20,690	14,293
Other Miscellaneous Expense	67,728	37,577
Other misc taxes	14,453	20,397
Bad Debts	86,463	-
Provision for bad debts	6,320	-
	<u>470,918</u>	<u>317,618</u>
<b>18 Finance Cost</b>		
Bank Charges	7,570	7,492
	<u>7,570</u>	<u>7,492</u>
<b>19 Contingent Liability</b>		

There was no contingent liability of a significant amount at the balance sheet date.





20 Related party transactions

For the purpose of this financial statement, parties are considered to be related to the company if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control or common significant influence. Related party may be individuals or other entities.

(a) Nature of relationship:

Particulars	Nature of Relationship
1. Sharda Cropchem Limited	Holding Company of Sharda International DMCC
2. Sharda International DMCC	Holding Company

The nature and amount of significant transactions during the period are as under:

Particulars	01/04/2017 to 31/03/2018	01/04/2016 to 31/03/2017
	US \$	US \$
<b>Transaction during the year:</b>		
Purchase from Sharda International DMCC	114,549	1,103,767
Purchase from Sharda Cropchem Limited	1,296,613	282,151
Credit Note from Sharda International DMCC * (on account of Ex- change rate difference in COP & INR )		303,831
<b>Outstanding balance:</b>		
Creditors for goods- Sharda International DMCC	120,903	686,273
Creditors for goods- Sharda Cropchem Limited	1,411,573	272,378

The said loan taken by the company is interest free and repayable on demand.

- \* Credited to Other Income

21 Financial instruments: Credit, interest rate, liquidity and exchange rate risk exposures

Credit risk (As per the management)

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of trade and other receivables, due from a related party and bank balances.

The company's bank balances in current accounts are placed with high credit quality financial institutions.

There is no significant concentration of credit risk from trade receivables within Colombia, outside Colombia and outside the industry in which the company operates.

22 Liquidity risk

The following are the contractual maturities of the company's financial liabilities as of 31st March 2018:

Non-derivative financial liabilities	01/04/2017 to 31/03/2018		01/04/2016 to 31/03/2017	
	Carrying	Payable within next 12 months	Carrying	Payable within next 12 months
	US \$	US \$	US \$	US \$
<b>Trade and other payables:</b>				
Trade payables	1,605,356	1,605,356	1,010,021	1,010,021
Advance received from customers	1,079	1,079.00	-	-
Accruals and provisions	-	-	-	-
Other payables	13,234	13,234	12,864	12,864



**1 Legal status**

- a) Sharda Colombia S.A. is a limited liability company incorporated on 13.07.2006 in the Chamber of Commerce of Bogotá.
- 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)

**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 Colombian Pesos (COP). 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.

**Estimated useful life of fixed assets**

Management determines the estimated useful lives and depreciation charge for its property, plant and equipment at the time of addition of the assets and is reviewed on annual basis.

**Inventory provisions**

At any time during the review the company did not have any inventory.

**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.

#### 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

##### Significant accounting policies:

#### a) Depreciation of fixed assets

The cost of fixed assets is depreciated by equal annual installments over their estimated useful lives.

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Depreciation on additions is calculated on a pro-rata basis from the date of additions and on deletion up to the date of deletion of the asset.

*The useful life of the fixed assets in the case of (Licenses) Product registrations as estimated by the management is 5 years.*

#### b) 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 financials 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:

It's 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.

**c) 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

**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) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.



SHARDA COLOMBIA S.A.  
Notes to the Financial Statements  
for the period ended 31st March, 2018

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

i) 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.

The Company as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

j) Borrowing costs

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

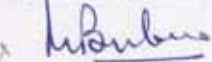
k) Cash and cash equivalents

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.

l) Dividend:

Dividend is paid out of accumulated profits, when declared.

For Sharda Colombia S.A.



R.V. Bubna  
Director & President



Manish Bubna  
Director & Secretary



17 APR 2018