

SHARDA COLOMBIA S.A.

Statement of Financial Position

As at 31st March, 2016

	<u>Notes</u>	<u>31-Mar-16</u> <u>US \$</u>	<u>31-Mar-15</u> <u>US \$</u>
ASSETS			
Non Current Assets			
Fixed assets	5	24,823	27,926
Capital Work in Progress	6	3,521	5,660
Current assets			
Inventories	7	270,000	538,721
Trade and other receivables	8	432,542	781,878
Prepayments	9	77,986	56,442
Cash and Cash equivalents	10	18,924	20,923
TOTAL ASSETS		827,796	1,431,550
EQUITY AND LIABILITIES			
Equity			
Share capital	11	125,391	125,391
Accumulated losses		(76,438)	(845,926)
Equity funds		48,953	(720,535)
			-
Total Equity		48,953	(720,535)
Current liabilities			
Trade and other payables		759,086	2,092,814
Loan from related parties	12	-	37,176
Miscellaneous liabilities	13	19,757	22,095
		778,843	2,152,085
TOTAL EQUITY AND LIABILITIES		827,796	1,431,550

The accompanying notes 1 to 21 form an integral part of these financial statements.

The Independent Reviewer's Report is attached herewith.

For Sharda Colombia S.A.

Director & President

Director & Secretary

SHARDA COLOMBIA S.A.

Statement of Comprehensive Income
for the period ended 31st March, 2016

		01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
	<u>Notes</u>	<u>US \$</u>	<u>US \$</u>
Revenue	14	777,704	1,470,438
Cost of sales	15	644,807	1,312,562
Profit from operating activities		132,897	157,876
Other Income		1,158,116	7,788
Expenses	16	658,890	1,298,524
Profit/(Loss) from operations		632,123	(1,132,860)
Finance Income		342	-
Finance costs	17	6,374	-
Finance costs (Net)		(6,032)	-
Depreciation	5	3,103	5,138
Net profit/(Loss) before tax for the period		622,988	(1,137,998)
Tax provision		-	53
Net Profit/(Loss) for the period		622,988	(1,138,051)
Other Comprehensive income			
Prior Period Expenses/Income		-	-
Foreign Currency Translation difference		146,500	323,678
Total Comprehensive Income		769,488	(814,373)

The accompanying notes 1 to 21 form an integral part of these financial statements.

For Sharda Colombia S.A.

Director & President

Director & Secretary

SHARDA COLOMBIA S.A.

Statement of Changes in Equity
for the period ended 31st March, 2016

Particulars	Share Capital	Accumulated Profit / (loss)	Total
As at 31st March, 2015	125,391	(845,926)	(720,535)
Additions in Share Capital			
Net Profit for the year	-	622,988	622,988
Prior Period Expenses		-	-
Foreign Currency Translation Difference		146,500	146,500
As at 31st March, 2016	125,391	(76,438)	48,953

The shareholder as at 31/03/2016 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	7,057.80
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
TOTAL		28,837.00	288,370,000.00	7,842.00

The accompanying notes 1 to 21 form an integral part of these financial statements.

The financial statements of the Company having been prepared on going concern basis, notwithstanding the fact that its net worth is completely eroded.

SHARDA COLOMBIA S.A.

Statement of Cash flows
for the period ended 31st March, 2016

	01/04/2015 to 31/03/2016 <u>US \$</u>	01/04/2014 to 31/03/2015 <u>US \$</u>
<u>Cash flows from operating activities</u>		
Net Profit/(Loss) for the period	622,988	(1,138,050)
<u>Adjustments for:</u>		
Depreciation	3,103	5,138
Finance costs	6,032	-
Operating profit/(loss) before working capital changes	632,123	(1,132,912)
Changes in miscellaneous assets		-
Changes in Inventories	268,721	300,388
Changes in Trade and other receivables	349,336	(185,636)
Changes in Prepayments	(21,543)	(28,214)
Changes in Trade and other payables	(1,333,728)	784,184
Changes in miscellaneous liabilities	(2,338)	(42,952)
Net cash (used in) operating activities	(107,429)	(305,142)
<u>Cash flows from investing activities</u>		
Purchase of Fixed Assets		(15,478)
Loan from related party		(132,517)
Net cash (used in) investing activities	-	(147,995)
<u>Cash flows from financing activities</u>		
Finance costs paid	(6,032)	-
Loans repaid	(37,176)	
Increase in Share Capital	-	117,549
Net cash from financing activities	(43,208)	117,549
Net changes in cash and cash equivalents	(150,637)	(335,588)
Cash and cash equivalents at beginning of period	20,923	32,835
Net Foreign exchange difference	146,500	323,678
Cash and cash equivalents at the end of the period	16,786	20,923

The accompanying notes 1 to 21 form an integral part of these financial statements.

For Sharda Colombia S.A.

Director & President

Director & Secretary

SHARDA COLOMBIA S.A.
Notes to the Financial Statements
for the period ended 31st March, 2016

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.

SHARDA COLOMBIA S.A.
Notes to the Financial Statements
for the period ended 31st March, 2016

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 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:

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');

SHARDA COLOMBIA S.A.
Notes to the Financial Statements
for the period ended 31st March, 2016

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 t 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) 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.

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Notes to the Financial Statements
for the period ended 31st March, 2016
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.

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.

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Notes to the Financial Statements
for the period ended 31st March, 2016
Schedule No 5

5. Fixed assets	Computer Software	Total	Office Equipments	Furniture & Fixtures	Total
	<u>COP</u>	<u>COP</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
Cost					
As at 01.04.2015	11,497,495	76,773,398	14,262	18,963	33,225
Addition during the year	-	-	-	-	-
As at 31.03.2016	<u>11,497,495</u>	<u>76,773,398</u>	<u>14,262</u>	<u>18,962</u>	<u>33,225</u>
Depreciation					
As at 01.04.2015	-	11,074,878	3,054	2,245	5,299
Charge for the period	6,010,611	14,729,759	1,807	1,295	3,103
As at 31.03.2016	<u>6,010,611</u>	<u>25,804,637</u>	<u>4,860</u>	<u>3,539</u>	<u>8,402</u>
Net book value					
As at 31.03.2015	<u>11,497,495</u>	<u>65,698,520</u>	<u>11,208</u>	<u>16,718</u>	<u>27,926</u>
As at 31.03.2016	<u>5,486,884</u>	<u>50,968,761</u>	<u>9,402</u>	<u>15,423</u>	<u>24,823</u>

6. Capital Work In Progress

	US \$
Cost	
Software	
As at 01.04.2015	5,660
Less: Prior Period Expenses (Note No:19)	2,139
As at 31.03.2016	<u>3,521</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 2016 approximates their net book value.

SHARDA COLOMBIA S.A.
for the period ended 31st March, 2016

	USD	USD
7 Inventories	31/03/2016	31/03/2015
Trading Goods	270,000	538,721
	<u>270,000</u>	<u>538,721.00</u>
	USD	USD
8 Trade and other receivables	31-Mar-16	31/03/2015
Trade receivables	432,543	781,878
	<u>432,543</u>	<u>781,878.00</u>
	USD	USD
9 Prepayments	31/03/2016	31/03/2015
Advance to customer	1,550	778
Rent deposit	8,026	9,229
Interest On Rent Deposit	152	152
Advance To Staff	-	118
Taxes Paid	-	39,801
Balance with Govt Authority	68,257	6,363
	<u>77,986</u>	<u>56,442</u>
	USD	USD
10 Cash & Cash Equivalents	31/03/2016	31/03/2015
Cash balance	7	136
Balance with Banks	18,917	20,787
	<u>18,924</u>	<u>20,923</u>
	USD	USD
11 Share capital	31/03/2016	31/03/2015
Authorised :		
1,00,000 Shares of 10,000 Colombian Pesos each (3000 Shares of 10,000 Colombian Pesos each)	30,000,000	30,000,000
Issued and paid up		
28837 Shares of 10000 Colombian Pesos each (1500 Shares of 10000 Colombian Pesos each)	125,391	125,391
	<u>125,391</u>	<u>125,391</u>
12 Loan from related party		
This amount represents long term loan received from Sharda International DMCC, a sole shareholder of the holding company. The said loan is interest free.		
	USD	USD
13 Miscellaneous Liabilities	31/03/2016	31/03/2015
Advances from customers	1,698	-
For Future Capitalisation	1	1
Duty & Taxes	18,058	22,093
	<u>19,757</u>	<u>22,094</u>
	USD	USD
Revenue from Operations	01/04/2015 to	01/04/2014 to
14	31/03/2016	31/03/2015
Sale of Agrochemicals	777,704	1,470,438
	<u>777,704</u>	<u>1,470,438</u>

SHARDA COLOMBIA S.A.
for the period ended 31st March, 2016

	USD	USD
	<i>01/04/2015 to</i>	<i>01/04/2014 to</i>
	<i>31/03/2016</i>	<i>31/03/2015</i>
15 Cost of Goods Sold		
Opening balance	538,721	839,109
Purchase	353,794	978,177
Indirect expenses	22,292	33,997
Closing balance	<u>270,000</u>	<u>538,721</u>
	<u>644,807</u>	<u>1,312,562</u>

	USD	USD
	<i>01/04/2015 to</i>	<i>01/04/2014 to</i>
	<i>31/03/2016</i>	<i>31/03/2015</i>
16 Expenses		
<u>Administrative Expenses :</u>		
Salary and related expenses	153,829	275,262
Administrative Expenses	8,649	1,789
Postage & Courier charges	551	983
Legal Professional fees*	105,999	234,608
Audit Fees	7,877	9,737
Printing & Stationery	659	1,233
Rent	12,381	15,448
Membership and subscription fees	290	370
Exchange loss (net)	292,720	569,971
Sales promotions	4,123	37,195
Travelling Expenses	14,428	30,842
Other Miscellaneous Expense*	36,905	104,913
Other misc taxes	20,479	16,173
	-	-
	<u>658,890</u>	<u>1,298,524</u>

* During the year under consideration, prior period expenses relating to the software appearing in capital work in progress is debited in the profit & loss account, amount to 2139 USD being the annual maintenance charges booked as per the law prevalent in Columbia.

	USD	USD
	<i>01/04/2015 to</i>	<i>01/04/2014 to</i>
	<i>31/03/2016</i>	<i>31/03/2015</i>
17 Finance Cost		
Bank Charges	<u>6,374</u>	<u>-</u>
	<u>6,374</u>	<u>-</u>

18 Contingent Liability

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

19 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.

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for the period ended 31st March, 2016

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

	01/04/2015 to 31/03/2016	01/04/2014 to 31/03/2015
	US \$	US \$
At the balance sheet date, balances with related parties were as follows:		
<u>Transaction during the year:</u>		
Purchase from Sharda International DMCC	379,112	961,111
Credit Note from Sharda International DMCC * (on account of Ex- change rate difference in COP & INR)	1,007,536	-
Credit Note from Sharda Cropchem Limited *(on account of Ex- change rate difference in COP & INR)	142,464	-
Repayment of Loan of Sharda International DMCC**	36,551	
<u>Outstanding balance:</u>		
<u>Unsecured Loans from:</u>		
Sharda International DMCC	-	37,176
Creditors for goods- Sharda International DMCC	728,760	1,912,273
Creditors for goods- Sharda Cropchem Limited	-	144,897

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

* Credited to Other Income

** Difference of USD 625 is on account of foreign exchange rate difference.

20 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.

21 Liquidity risk

The following are the contractual maturities of the company's financial liabilities as of 31st March 2016:

Non-derivative financial liabilities	01/04/2015 to 31/03/2016		01/04/2014 to 31/03/2015		
	Carrying	Payable within next 12 months	Carrying	Payable within next 12 months	Payable after 12 months
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
Trade and other payables:					
Trade payables	759,086	759,086.00	2,092,814	2,092,814	-
Advance received from customers	1,698	1,698.19	-	-	-
Accruals and provisions	-	-	-	-	-
Other payables	18,058	18,057.81	-	-	-