

INDEPENDENT AUDITOR'S REPORT

To the Members of **SHARDA HUNGARY KFT.**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SHARDA HUNGARY KFT.**, which comprise the Balance Sheet as at 31.03.2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with [Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered



Accountants of India, as 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 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 Ind AS 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 Ind AS 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 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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 31.03.2017, its profit/loss including other comprehensive income, its cash flows and the changes in equity 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 1 a statement on the matters specified in paragraphs 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 purpose 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



- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended
- (e) On the basis of written representations received from the directors as on 31.03.2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) 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:
1. The Company does not have any pending litigations which would impact its financial position;
 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 4. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period

**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 HUNGARY Kft.

BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in INR)

Particulars	Note No	As at 31-Mar-17	As at 31-Mar-16	As at 1-Jan-15
ASSETS				
Non -Current Assets				
Non current tax assets		27,05,364	-	-
		27,05,364	-	-
Current assets				
Inventories	3	1,40,92,257	1,65,27,929	-
Financial assets				
Trade Receivables	4	16,76,36,351	14,15,52,640	-
Cash & cash equivalents	5	2,31,27,003	1,79,08,066	27,027
Other Current Assets	6	46,15,279	-	38,039
Total current assets		20,94,70,890	17,59,88,635	65,066
Total assets		21,21,76,254	17,59,88,635	65,066
EQUITY AND LIABILITIES				
Equity				
Equity share capital	7	7,23,085	7,23,085	1,25,047
Other equity				
Retained earnings	8	1,25,10,193	18,71,869	(92,101)
Other reserves	8	(2,60,011)	(5,28,567)	2,426
Total equity		1,29,73,267	20,66,387	35,372
Current liabilities				
Financial liabilities				
Borrowings	9	-	10,86,181	29,449
Trade Payables	10	18,79,88,604	16,37,02,842	-
Other Payables	11	82,28,374	20,16,084	-
Current tax liabilities		29,86,009	-	245
Other current liabilities	12	-	71,17,141	-
Total current liabilities		19,92,02,987	17,39,22,248	29,694
Total equity and liabilities		21,21,76,254	17,59,88,635	65,066

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

As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W



[Signature]
CA K.V.BESWAL
[PARTNER]
Membership Number - 131054
PLACE : MUMBAI
Date: 17 APR 2017

For and on behalf of the Board of Directors of
SHARDA HUNGARY Kft.

[Signature]
R. V. Bubna
[Director]

[Handwritten initials]

SHARDA HUNGARY Kft.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR)

Particulars	Note No	Year ended 31-Mar-17	Year ended 31-Mar-16
Revenue from Operations	13	52,90,20,605	23,29,02,955
Other Income	14	3,43,27,697	1,455
Total income		56,33,48,302	23,29,04,410
Expenses			
Purchase of traded goods	15	49,25,16,128	21,65,30,531
(Increase)/ decrease in inventories	16	24,35,672	(1,65,27,929)
Finance costs	17	-	85,870
Other expenses	18	5,64,75,279	3,08,51,869
Total expenses		55,14,27,079	23,09,40,342
Profit before tax		1,19,21,223	19,64,069
Tax expenses			
Current tax	19	12,82,899	99
Deferred tax		-	-
Total Tax expense		12,82,899	99
Profit for the year		1,06,38,324	19,63,970
Other Comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		2,68,556	(5,30,993)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		2,68,556	(5,30,993)
Total comprehensive income for the year		1,09,06,880	14,32,977
Earning per equity share			
Equity share of par value of HUFO 1 each			
Basic & Diluted		1,06,38,324	19,63,970

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

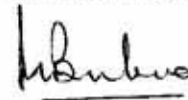
As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W


CA K.V.BESWAL

[PARTNER]
Membership Number - 131054
PLACE : MUMBAI
Date: 17 APR 2017



For and on behalf of the Board of Directors of
SHARDA HUNGARY Kft.



R. V. Bubna
[Director]

SHARDA HUNGARY Kft.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 January 2015	1,25,047	(92,101)	2,426	35,372
Issued during the year	5,98,038	-	-	5,98,038
Net Profit for the period		19,63,970	-	19,63,970
Other comprehensive income		-	(5,30,993)	(5,30,993)
Total Comprehensive Income		19,63,970	(5,30,993)	14,32,977
As on 31 March 2016	7,23,085	18,71,869	(5,28,567)	20,66,387

FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR)

Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 April 2016	7,23,085	18,71,869	(5,28,567)	20,66,387
Net Profit for the period		1,06,38,324	-	1,06,38,324
Other comprehensive income		-	2,68,556	2,68,556
Total Comprehensive Income		1,06,38,324	2,68,556	1,09,06,880
As on 31 March 2017	7,23,085	1,25,10,193	(2,60,011)	1,29,73,267

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

As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W



CA K.V. BESWAL

[PARTNER]

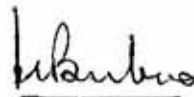
Membership Number - 131054

PLACE : MUMBAI

Date: 17 APR 2017



For and on behalf of the Board of Directors of
SHARDA HUNGARY Kft.



R. V. Bubna

[Director]

SHARDA HUNGARY Kft.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in INR)

Particulars	Year ended 31-Mar-17	Year ended 31-Mar-16
Cash flow from operating activities		
Profit before tax for the year	1,19,21,223	19,64,069
Profit before tax	1,19,21,223	19,64,069
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Exchange difference on translation of assets and liabilities	2,68,556	(5,30,993)
Interest expense	-	85,870
Operating profit before working capital changes	1,21,89,779	15,18,946
Movements in working capital :		
Decrease / (increase) in other current assets	(46,15,279)	38,039
Increase/ (decrease) in trade payables	2,42,85,762	16,37,02,842
Increase/ (decrease) in other current liabilities	(71,17,141)	71,17,141
Decrease / (increase) in trade receivables	(2,60,83,711)	(14,15,52,640)
Decrease / (increase) in inventories	24,35,672	(1,65,27,929)
Decrease / (increase) in other Payables	62,12,290	20,16,084
Cash generated from / (used in) operations	46,02,008	1,63,12,483
Income taxes paid (net of refunds)	17,03,110	(344)
Net cash flow from/ (used in) operating activities (A)	63,05,118	1,63,12,139
Cash flows from investing activities		
Net cash flow from/ (used in) investing activities (B)	-	-
Cash flows from financing activities		
Proceeds from issuance of equity share capital	-	5,98,038
Proceeds / (repayment) of short term borrowings	(10,86,181)	10,56,732
Interest paid	-	(85,870)
Net cash flow from/ (used in) in financing activities (C)	(10,86,181)	15,68,900
Net increase/(decrease) in cash and cash equivalents (A + B + C)	52,18,937	1,78,81,039
Cash and cash equivalents at the beginning of the year	1,79,08,066	27,027
Cash and cash equivalents at the end of the year	2,31,27,003	1,79,08,066
Components of cash and cash equivalents		
With banks- on current account	2,31,27,003	1,79,08,066
Total cash and cash equivalents (note 3)	2,31,27,003	1,79,08,066

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

As per our report of even date
For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

For and on behalf of the Board of Directors of
SHARDA HUNGARY Kft.

CA K.V.BESWAL
[PARTNER]
Membership Number - 131054



R. V. Bubna
[Director]

PLACE : MUMBAI

Date: 17 APR 2017

1. Corporate information

Sharda Hungary Kft (the company) was incorporated on 08.02.2012 in Hungary. The holding company is Sharda Cropchem Limited (Formerly known Sharda Worldwide Exports Pvt. Ltd.) from date of incorporation

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2016, were prepared in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements are the first financial statements of the company under Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Property, plant and equipment

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

Depreciation is provided after impairment, if any, using the straight-line method as per the useful lives of the assets estimated by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(c) Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Product registration costs generally comprise of costs incurred towards creating product dossiers, fees paid to registration consultants, application fees to the ministries, data compensation costs, data call-in costs and fees for task-force membership.

In situations where consideration for data compensation is under negotiation and is pending finalisation of contractual agreements, cost is determined on a best estimate basis by the management, and revised to actual amounts on conclusion of agreements.

Product Registration

Product Registration expenses and Data Compensation charges are amortised on a straight-line basis over a period of five years.

Computer Software

Expenses on implementation of Computer Software are amortised on a straight-line basis over a period of four years.

Research and Development costs

Research costs are expensed as incurred. Development expenditure is carried forward when its future recoverability can reasonably be regarded as assured and is amortized over the period of expected future benefit. During the period of development, the assets under development are tested for impairment annually.

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.



(d) Impairment of assets

The carrying amount of assets at each balance sheet date is reviewed for impairment. If an indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate, that reflects current market assessment of the time value of money and the risks specific to the asset.

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

(e) Investments and other financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(f) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

(g) Inventories

Raw materials, traded goods and finished goods are valued at lower of cost or net realizable value. Cost includes direct material and direct expenses. Cost is determined on a weighted average basis as per individual location which is done on specific identification of batches. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

(h) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank.

(i) Revenue

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. Revenues from the sale of goods in the ordinary course of business is measured net of returns and discounts. The company operates a loyalty programme where customers accumulate points for purchases made. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(j) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in INR which is functional and presentation currency of parent company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.



(k) 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.

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 Hungary where the company and its subsidiaries and associates operate and generate 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.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(l) Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(m) Provisions and Contingent Liabilities

Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements

(n) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit after tax 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.



Notes to financial statements for the year ended 31st March 2017

3 Inventories

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
Finished goods	1,40,92,257	1,65,27,929	-
Total	1,40,92,257	1,65,27,929	-

4 Trade Receivables

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
Trade Receivables ,unsecured considered good	16,76,36,351	14,15,52,640	-
Total	16,76,36,351	14,15,52,640	-

5 Cash & cash equivalents

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
Balance with Bank	2,31,27,003	1,79,08,066	27,027
Total	2,31,27,003	1,79,08,066	27,027

6 Other Current Assets

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
VAT receivable	46,15,279	-	38,039
Total	46,15,279	-	38,039

7 Equity share capital

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
Authorised shares			
1 Share of HUF 30,00,000 each	7,23,085	7,23,085	1,25,047
Issued, Subscribed & fully paid up shares			
1 Share of HUF 30,00,000 each	7,23,085	7,23,085	1,25,047
Total Issued, Subscribed & fully paid up share capital	7,23,085	7,23,085	1,25,047

B Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares As at 31-Mar-2017		Equity Shares As at 31-Mar-2016		Equity Shares As at 1-Jan-2015	
	Number	INR	Number	INR	Number	INR
	At the beginning of the period	1	7,23,085	1	1,25,047	1
Issued during the period	-	-	-	5,98,038	-	-
Outstanding at the end of the period	1	7,23,085	1	7,23,085	1	1,25,047



Notes to financial statements for the year ended 31st March 2017

C Details of shareholders holding more than 5% of shares in the company

Name of Shareholder	As at 31-Mar-2017		As at 31-Mar-2016		As at 1-Jan-2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sharda Cropchem Limited	1	100%	1	100%	1	100%

8 Other equity

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 31-Mar-2015
	INR	INR	Number
Deficit			
Balance as per the last financial statement	18,71,869	(92,101)	(77,217)
Add : Profit/(Loss) for the year	1,06,38,324	19,63,970	(14,884)
Closing Balance	1,25,10,193	18,71,869	(92,101)
Foreign Currency Translation Reserve			
Balance as per the last financial statement	(5,28,567)	2,426	9,506
Add : Changes for the period	2,68,556	(5,30,983)	(7,080)
Closing Balance	(2,60,011)	(5,28,567)	2,426
Total	1,22,50,182	13,43,302	(89,675)

9 Borrowings

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
Loan from Sharda Cropchem Espana	-	10,57,542	-
Short term loan - others	-	28,639	29,449
Total	-	10,86,181	29,449

10 Trade Payables

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
Trade payables	18,79,88,604	16,37,02,842	-
Total	18,79,88,604	16,37,02,842	-

11 Other Payables

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 1-Jan-2015
	INR	INR	INR
Other Payables	82,28,374	20,16,084	-
Total	82,28,374	20,16,084	-

12 Other Current liabilities

Particulars	As at 31-Mar-2017	As at 31-Mar-2016	As at 31-Mar-2015
	INR	INR	Number
Statutory Dues Payable	-	70,33,835	-
Interest Payable	-	83,306	-
Total	-	71,17,141	-



Notes to financial statements for the year ended 31st March 2017

13 Revenue from Operations

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
	INR	INR
Sales of Agro Chemicals	52,90,20,605	23,29,02,955
Total	52,90,20,605	23,29,02,955

14 Other income

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
	INR	INR
Other Income	-	1,455
Sundry Balances written back	3,43,27,697	-
Total	3,43,27,697	1,455

15 Purchase of traded goods

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
	INR	INR
Purchases of Agro Chemicals	49,25,16,128	21,65,30,531
Total	49,25,16,128	21,65,30,531

16 (Increase)/ decrease in inventories

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
	INR	INR
Inventories at the end of the year Traded goods	1,40,92,257	1,65,27,929
Inventories at the beginning of the year Traded goods	1,65,27,929	-
Total	24,35,672	(1,65,27,929)

17 Finance costs

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
	INR	INR
Interest on loan	-	85,870
Total	-	85,870

18 Other expenses

Particulars	Year ended 31-Mar-2017	Year ended 31-Mar-2016
	INR	INR
Accounting Charges	6,81,140	2,04,261
Bank charges	15,42,395	8,32,156
Office rent	9,92,115	6,06,039
Warehouse Rent	3,31,010	-
Foreign exchange loss	5,58,602	35,820
Transport expenses	36,49,555	32,35,729
Administration expenses	45,78,613	22,74,660
Miscellaneous expenses	1,44,513	56,807
Meeting expenses	7,24,866	3,36,431
Professional fees	-	2,36,221
Consultancy charges	4,11,82,064	2,28,78,017
Storage expenses	-	88,324
Repairs & Maintenance	-	10,278
Local Tax	18,43,129	-
Membership Fees	1,30,475	-
Advertisement expenses	1,16,802	57,126
Total	6,64,75,279	3,08,51,869



Notes to financial statements for the year ended 31st March 2017

19 Income Taxes

Particulars	Year ended	Year ended
	31-Mar-2017	31-Mar-2016
	INR	INR
Current income tax	12,82,899	99
Total	12,82,899	99

20 Fair Value Measurements

	31 March 2017			31 March 2016			01 April 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Trade Receivables	-	-	16,76,36,351	-	-	14,15,52,640	-	-	-
Cash and cash equivalents	-	-	2,31,27,003	-	-	1,79,08,068	-	-	27,027
Total Financial Assets	-	-	19,07,63,354	-	-	16,94,60,708	-	-	27,027
Financial Liabilities									
Borrowings	-	-	-	-	-	10,88,181	-	-	29,449
Other payables	-	-	82,28,374	-	-	20,16,084	-	-	-
Total Financial liabilities	-	-	82,28,374	-	-	31,02,265	-	-	29,449

21 Contingent liabilities and Commitments

Particulars	As at	As at
	31-Mar-2017	31-Mar-2016
	INR	INR
Contingent liabilities	NIL	NIL
Commitments	NIL	NIL

22 Earnings per share (EPS)

Particulars	As at	As at
	31-Mar-2017	31-Mar-2016
	INR	INR
Basic and diluted earning per share:		
Profit after taxation as per statement of profit and loss	1,06,38,324	19,63,970
Weighted average number of equity shares outstanding	1	1
Basic and diluted earning per share	1,06,38,324	19,63,970
Nominal Value of equity share (HUF)	1.00	1.00

23 Related Party Disclosures

(a) Related parties with whom transactions have taken place during the Year:

Nature of relationship	Name of Party
(i) Parent company	Sharda Cropchem Ltd.

Related party transactions:

The following table provides the total amount of transactions that have been entered into with related parties.

- Transactions with Related party

Particulars	Year ended	Year ended
	31-Mar-2017	31-Mar-2016
Unsecured loan taken:		
Sharda Cropchem Ltd.	-	55,06,503
Sharda Cropchem Espana SL	-	10,57,542
Interest on unsecured loan:		
Sharda Cropchem Ltd.	-	71,359
Sharda Cropchem Espana SL	-	14,511
Unsecured loan		
Repaid to Sharda Cropchem Ltd.	-	55,77,861
Repaid by Sharda Cropchem Espana SL	10,44,850	-
Repaid to Mr. Zoltan Papp	28,639	-
Purchase of traded goods:		
Sharda Cropchem Ltd.	49,23,15,361	21,85,30,531



Notes to financial statements for the year ended 31st March 2017

Outstanding balances	Year ended 31-Mar-2017	Year ended 31-Mar-2016
Trade payables:		
Sharda Cropchem Ltd.	19,46,90,407	16,37,02,842
Unsecured loan taken:		
Sharda Cropchem Espana SL	-	10,57,542
Mr. Zoltan Papp	-	28,639

24 Segment reporting

The Company operates in a single and related business segment viz. Agro Chemicals. Therefore, the information required by the IND AS 108 on segment reporting is not applicable to the Company.

25 Previous year figures

The previous year figures have been regrouped, rearranged wherever necessary to compare this year figures.

As per our report of even date

For V.K.BESWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 101083W

CA K.V.BESWAL
[PARTNER]
Membership Number - 131054
PLACE : MUMBAI

Date: 17 APR 2017



For and on behalf of the Board of Directors of
SHARDA HUNGARY Kft.

R. V. Bubna
[Director]