

INDEPENDENT AUDITOR'S REPORT

To the Members of **SHARDA USA LLC**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SHARDA USA LLC**, which comprise the Balance Sheet as at 31.12.2016, 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 31.12.2016, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

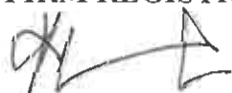
Report on Other Legal and Regulatory Requirements

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 31.12.2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31.12.2016, 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 : 10.04.2017**



SHARDA USA LLC

BALANCE SHEET AS AT 31ST DECEMBER 2016


(Amount in INR)

Particulars	Note No	As at 31-Dec-16	As at 31-Dec-15	As at 1-Jan-15
ASSETS				
<u>Current assets</u>				
<u>Financial Assets</u>				
Cash & cash equivalents	3	174,994	156,020	148,719
Total current assets		174,994	156,020	148,719
Total assets		174,994	156,020	148,719
EQUITY AND LIABILITIES				
<u>Equity</u>				
Equity share capital	4	-	-	-
Other Equity				
Retained earnings	5	(6,441)	(6,459)	6,475
Other reserves	5	(1,599)	(1,425)	(1,056)
Total equity		(8,040)	(7,884)	(7,531)
<u>Current liabilities</u>				
<u>Financial liabilities</u>				
Other current financial liabilities	6	183,034	163,904	156,250
Total current liabilities		183,034	163,904	156,250
Total equity and liabilities		174,994	156,020	148,719

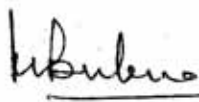
The accompanying notes are an integral part of the financial statements.

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 USA LLC


CA K.V.BESWAL
[PARTNER]
Membership Number - 131054
PLACE : MUMBAI
Date: 10/04/2017




R. V. BUBNA
[DIRECTOR]

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SHARDA USA LLC

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST DECEMBER, 2016

Particulars	Note No	(Amount in INR)	
		Year ended 31-Dec-16	Year ended 31-Dec-15
Income			
Other Income	7	18	16
Total income		18	16
Expenses			
Other Expenses		-	-
Total expenses		-	-
Profit(loss) before tax		18	16
Tax expenses			
Current tax		-	-
Total Tax expense		-	-
Profit(loss) for the year		18	16
Other Comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(174)	(369)
Income tax effect		-	-
Other comprehensive income for the year, net of tax		(174)	(369)
Total comprehensive income for the year		(156)	(353)
Earning per equity share			
Equity share of par value of USD 1 each			
Basic & Diluted		0.18	0.16

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

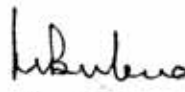
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CA K.V.BESWAL
[PARTNER]
Membership Number - 131054
PLACE : MUMBAI
Date: 10/04/2017



For and on behalf of the Board of Directors of
SHARDA USA LLC



R. V. BUBNA
[DIRECTOR]

SHARDA USA LLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

(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	-	(6,475)	(1,056)	(7,531)
Net Profit for the period		16	-	16
Other comprehensive income		-	(369)	(369)
Total Comprehensive Income		16	(369)	(353)
As on 31 December 2015	-	(6,459)	(1,425)	(7,884)

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amount in INR)

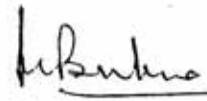
Particulars	Equity Share Capital	Reserves & Surplus	Items of other comprehensive income	Total equity
		Retained earnings	Foreign Currency translation reserve	
As on 01 January 2016	-	(6,459)	(1,425)	(7,884)
Net Profit for the period		18	-	18
Other comprehensive income		-	(174)	(174)
Total Comprehensive Income		18	(174)	(156)
As on 31 December 2016	-	(6,441)	(1,599)	(8,040)

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

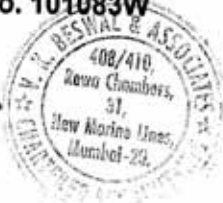
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For and on behalf of the Board of Directors of
SHARDA USA LLC


CA K.V.BESWAL
 [PARTNER]


R. V. BUBNA
 [DIRECTOR]

Membership Number - 131054
 PLACE : MUMBAI
 Date: 10/04/2017



SHARDA USA LLC
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2016

	(Amount in INR)	
Particulars	Year ended 31-Dec -16	Year ended 31-Dec-15
Cash flow from operating activities		
Profit before tax for the year	18	16
Profit / (loss) before tax	18	16
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Interest income	(18)	(16)
Exchange difference on translation of assets and liabilities	(174)	(369)
Operating profit / (loss) before working capital changes	(174)	(369)
Movements in working capital :		
Increase/(Decrease) in Foreign Currency Translation Reserve		
Increase/ (decrease) in other current financial liabilities	19,130	7,654
Cash generated from /(used in) operations	18,956	7,285
Income taxes paid (net of refunds)		
Net cash flow from/ (used in) operating activities (A)	18,956	7,285
Cash flows from investing activities		
Interest received	18	16
Net cash flow from/ (used in) investing activities (B)	18	16
Cash flows from financing activities		
Net cash flow from/ (used in) in financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)	18,974	7,301
Cash and cash equivalents at the beginning of the year	156,020	148,719
Cash and cash equivalents at the end of the year	174,994	156,020
Components of cash and cash equivalents		
With banks- on current account	174,994	156,020
Total cash and cash equivalents (Note 3)	174,994	156,020

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

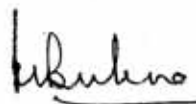
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CA K.V.BESWAL
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 Membership Number - 131054
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 Date: 10/04/2017



For and on behalf of the Board of Directors of
 SHARDA USA LLC



R. V. BUBNA
 [DIRECTOR]



1. Corporate information

Sharda USA LLC (the company) was incorporated on 18.05.2006 in USA. The holding company is Sharda Cropchem Limited ("SCL") from the date of incorporation.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 and the provisions of the Act (to the extent notified). The financials statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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) Current versus non-current classifications

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(c) 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.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by 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.



(d) Depreciation on tangible fixed assets

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

(e) Intangible assets and amortisation

Intangible Assets are stated at cost less accumulated amortisation and impairment, if any.

(f) Impairment of tangible and intangible assets

(i) The carrying amounts of assets are reviewed for impairment at each Balance Sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre tax rate, that reflect current market assessment of the time value of money and the risk specific to the assets.

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

(g) Research and Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

(h) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Non-Current Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in nature.

(i) 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 using weighted average method for batches identified on specific identification basis in respective locations. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sales.

(j) Revenue recognition

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.



Interest

Interest income is recorded using the effective interest rate. Interest income is included in finance income in the statement of profit and loss

Dividends

Revenue is recognized when the shareholders' right to receive payment is established, which is generally when shareholders approve the dividend.

(k) Foreign currency transactions

Foreign currency transactions and balances

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.

(iii) Exchange differences

Functional currency

The functional currency of Company are the respective local currency. The Company's financial statements are presented in INR, which is also the parent company's functional currency.

Transaction and balances

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translation are included in net profit / (loss) in the statement of profit and loss. Non- monetary assets and non- monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined Non- monetary assets and non- monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of translation.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit / (loss) for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the Company to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity.

(k) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.



(l) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash on hand, cash at bank and term deposits with banks and also include short term investments with an original maturity of three months or less.

(m) Taxes on Income

Tax expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax law enacted in USA. Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered and settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(n) Provisions and Contingencies

A provision is recognized if, as a result of past event, the Company has a present legal and constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



3 Cash and Cash Equivalents

Particulars	As at	As at	As at
	31-Dec-2016	31-Dec-2015	1-Jan-15
	Rs.	Rs.	Rs.
Balances with Banks	174,994	156,020	147,191
Total	174,994	156,020	147,191

4 Share Capital

Particulars	As at	As at	As at
	31-Dec-2016	31-Dec-2015	1-Jan-15
	Rs.	Rs.	Rs.
Authorised share capital: 100 (Previous year : 100) Shares of USD 1 each	4,495	4,495	4,495
Issued and Subscribed share capital	-	-	-
Total Issued & Subscribed share capital	-	-	-

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

Particulars	Equity Shares		Equity Shares		Equity Shares	
	As at		As at		As at	
	31-Dec-2016		31-Dec-2015		01-Jan-2015	
	Number	Rs.	Number	Rs.	Number	Rs.
At the beginning of the period	-	-	-	-	-	-
Issued during the period	-	-	-	-	-	-
Outstanding at the end of the period	-	-	-	-	-	-

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

Name of Shareholder	As at		As at		As at	
	31-Dec-2016		31-Dec-2015		01-Jan-2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Sharda Cropchem Limited	100	100.00%	100	100.00%	100	100.00%

5 Reserves and Surplus

Particulars	As at	As at	As at
	31-Dec-2016	31-Dec-2015	1-Jan-15
	Rs.	Rs.	Rs.
Deficit			
Balance as per the last financial statement	(6,459)	(6,475)	(6,491)
Add : Profit/(Loss) for the period	18	16	16
Closing Balance	(6,441)	(6,459)	(6,475)
Foreign Currency Translation Reserve			
Balance as per the last financial statement	(1,425)	(1,056)	(879)
Add : Changes for the period	(174)	(369)	(177)
Closing Balance	(1,599)	(1,425)	(1,056)
Total	(8,040)	(7,884)	(7,531)

6 Other current financial liabilities

Particulars	As at	As at	As at
	31-Dec-2016	31-Dec-2015	1-Jan-15
	Rs.	Rs.	Rs.
Other Payables	183,034	163,904	156,250
Total	183,034	163,904	156,250

7 Other income

Particulars	Year ended	Year ended
	31-Dec-2016	31-Dec-2015
	Rs.	Rs.
Bank Interest	18	16
Total	18	16



8 Fair Value Measurements

	As at 31-Dec-2016			As at 31-Dec-2015			As at 1-Jan-2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Cash and cash equivalents			174,994			156,020			147,191
Other financial assets									
Total Financial Assets	-	-	174,994	-	-	156,020	-	-	147,191
Financial Liabilities									
Other financial liabilities			183,034			163,904			156,250
Total Financial liabilities	-	-	183,034	-	-	163,904	-	-	156,250

10 EPS

Particulars	Year ended 31-Dec-16	Year ended 31-Dec-15
	INR	INR
Basic and diluted earning per share:		
Profit after taxation as per statement of profit and loss	18	16
Weighted average number of equity shares outstanding	-	-
Basic and diluted earning per share	0.00	0.00
Nominal Value of equity share in (USD)	1.00	1.00

11 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.

12 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
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For and on behalf of the Board of Directors of
SHARDA USA LLC

R. V. BUBNA
[DIRECTOR]