

Report on the Financial Statements

We have audited the accompanying financial statements of **SHARDA BOLIVIA SRL**, (“the Company”), which comprise the Statement of financial position for the year ending December 31, 2019, and the Statement of Comprehensive income, Statement of changes in equity and cash flows for the period then ended, including a summary of significant accounting policies and other explanatory notes.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

Auditor’s Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Financial Reporting Standards on Auditing. Those standards require that we comply ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence on the auditor’s judgment, including the assessment of risk of material miss statement of the financial statements, whether due to fraud or error. In making those risk assessment; the auditor considers internal control relevant to the company’s preparation and fair presentation of the financial statement in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by the management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In Our opinion the financial statements present fairly, in all material respect, the financial position of **SHARDA BOLIVIA SRL**, for the year ending December 31,2019 and its financial performance and its cash flow for the period then ended in accordance with International Financial Reporting Standards.

**For V.K.BESWAL& ASSOCIATES,
CHARTERED ACCOUNTANTS,
FIRM REGISTRATION NO: 101083W**

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BESWAL

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**KUNAL V BESWAL
PARTNER
M.NO.131054
PLACE: MUMBAI
DATED: 12.05.2020**

SHARDA BOLIVIA SRL**Statement of Financial Position
As at 31 December, 2019**

	<i>Notes</i>	<i>31-Dec-19 US \$</i>	<i>31-Dec-18 US \$</i>
ASSETS			
Non-current assets			
Property, plant and equipment	3	7	38
Total non-current assets		7	38
Current assets			
Cash and bank balances	4	464	77
Other assets	5	8,518	7,611
Total current assets		8,982	7,688
Total assets		8,989	7,726
EQUITY AND LIABILITIES			
Equity			
Share capital	6	1,398	1,398
Other reserves	7	(96,345)	(90,778)
Total equity		(94,947)	(89,380)
Current liabilities			
Other liabilities	8	1,03,936	97,106
Total current liabilities		1,03,936	97,106
Total equity and liabilities		8,989	7,726

**For and on behalf of the Board of Directors of
SHARDA BOLIVIA SRL**

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**R. V. Bubna
[DIRECTOR]**

SHARDA BOLIVIA SRL**Statement of Comprehensive Income
for the year ended 31 December , 2019**

	<i>Notes</i>	Year ended 31-Dec-19 <u>US \$</u>	Year ended 31-Dec-18 <u>US \$</u>
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other Income	9	121	209
Administrative expenses	10	(5241)	(1717)
Loss for the year		(5120)	(1508)
Other comprehensive income			
Foreign currency translation difference		(447)	(1)
Total other comprehensive income		(447)	(1)
Total comprehensive income		(5,567)	(1,509)
Earnings per share			
Basic and diluted		(51.20)	(15.08)

**For and on behalf of the Board of Directors of
SHARDA BOLIVIA SRL**

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**R. V. Bubna
[DIRECTOR]**

SHARDA BOLIVIA SRL

Statement of Cash flows for the year ended 31 December, 2019

	Year ended 31-Dec-19	Year ended 31-Dec-18
	<u>US \$</u>	<u>US \$</u>
<u>Cash flows from operating activities</u>		
Net loss for the period	(5,120)	(1,508)
Adjustments for:		
Depreciation	32	31
Operating loss before working capital changes	(5,088)	(1,477)
Changes in other current liabilities	6,830	1,826
Changes in other current assets	(908)	(412)
Net cash (used in) operating activities	834	(63)
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	-	-
Net cash (used in) investing activities	-	-
<u>Cash flows from financing activities</u>		
Net cash from financing activities	-	-
Net changes in cash and cash equivalents	834	(63)
Cash and cash equivalents at beginning of period	77	141
Exchange rate fluctuation	(447)	(1)
Cash and cash equivalents at the end of the period	464	77

For and on behalf of the Board of Directors of
SHARDA BOLIVIA SRL

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[DIRECTOR]

SHARDA BOLIVIA SRL**Statement of Changes in Equity
for the year ended 31 December, 2019**

	<i>Share capital</i>	<i>Reserves</i>	Foreign currency translation reserve	<i>Total</i>
	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
As at 1st January, 2018	1,398	(36,816)	(52,452)	(87,871)
Net profit/(loss) for the period		(1,508)		(1,508)
Other comprehensive income			(1)	(1)
Total comprehensive income		(1,508)	(1)	(1,509)
As at 31st December, 2018	1,398	(38,324)	(52,453)	(89,380)
Net profit/(loss) for the period		(5,120)		(5,120)
Other comprehensive income			(447)	(447)
Total comprehensive income		(5,120)	(447)	(5,567)
As at 31 December, 2019	1,398	(43,444)	(52,900)	(94,947)

The shareholders as on 31/12/2019 and their interest as of that date in share capital of the company is as follows :

Name	Country of Incorporation	No of shares	BOB	US \$
M/S Siddhivinayak International Ltd.	United Arab Emirates	99	9,900	1,384
Mr.Manish Bubna		1	100	14

**For and on behalf of the Board of Directors of
SHARDA BOLIVIA SRL**

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**R. V. Bubna
[DIRECTOR]**

SHARDA BOLIVIA SRL

Notes to financial statements for the year ended 31 December, 2019

1 Corporate information

Sharda Bolivia SRL was incorporated on 22nd August, 2005 in Bolivia as a private limited company. The principal activity of the company is trading of agrochemicals.

2 SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

Significant Accounting Policies:

2.1 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) and which are effective for accounting periods beginning on or after 1 January 2018 and the applicable rules and regulations. These financials are prepared for the purpose of Consolidation with M/s sidhivinayak International Ltd.

2.2. Basis of preparation and Presentation of Financial Statement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- Derivative financial instruments measured at fair value
- Certain financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Summary of significant accounting policies

(a) Foreign currency translation

The functional currency of the company is Bolivian Boliviano (BOB). These financial statements are presented in United States Dollars (USD). The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Monetary assets and liabilities denominated in foreign currency remaining unsettled at the end of the year, are translated at the closing rate prevailing on the balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

(b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have

(c) Revenue Recognition

Sale of goods

Revenue from sale of goods is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration which an entity expects to be entitled in exchange for transferring the promised goods to the customer, net of returns and allowances, trade discounts, volume rebates and cash discounts. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods. 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. It is reassessed at the end of each reporting period.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

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.

Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(d) Taxation

Income tax expense comprises current tax and deferred tax charge or credit.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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 liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(e) Use of estimates

The preparation of financial statements in conformity with Indian Accounting Standards 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.

Impact of COVID-19 :

(1) Events occurring after end of the year

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent of its duration and its economic impact on the business of the company. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorization of these financial statements. However, these developments could impact our future financial results, cash flows and financial condition.

(2) Use of estimates and judgement

As a result of the COVID-19 and the resulting disruptions to the social and economic activities, the Company continues to assess regularly the impact of COVID-19 on its business, in particular the reduction of sales and the estimation of expected credit loss/fair value and collectability of trade receivables. The management considered several foreseeable areas of operational risk and implemented various measures to ensure the continuity of the operations and the ability of the organization to cope with the lock-down situation.

(f) Property, Plant and Equipment and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. All items of property, plant and equipment are stated at historical cost, less accumulated depreciation/amortisation and impairments, if any. Historical cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized. Depreciation is provided after impairment, if any, using the straight-line method as per the estimated useful lives of the assets.

(g) 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.

The useful lives of intangible assets are assessed as finite.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life are considered to modify the amortisation period, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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, Product Registration and Licences

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
- It is probable that future economic benefits will flow to the Company and the Company has control over the asset

Cost of Product Registration 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 and Licence charges are amortised on a straight-line basis over a period of five years.

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.

During the period of development, the asset is tested for impairment annually.

(h) Lease

As per the new IFRS 16, the distinction between operating and finance leases is eliminated for lessees, and a new lease asset (representing the right to use the leased item for the lease term) an lease liability (representing the obligation to pay rentals) are recognized for all leases.

The Company to initially recognize a right-of-use asset and lease liability based on the discounted payments required under the lease, taking into account the lease term as determined under the new standard.

(i) Inventories

Inventories include raw materials, traded goods and finished goods. Inventory is valued at lower of cost or net realizable value. The comparison of cost and net realisable value is made on an item to item basis.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. 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.

Obsolete, defective and unserviceable inventories are duly provided in the financials.

(j) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) 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. The expense relating to a provision is presented in the statement of profit and loss.

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.

Provision in respect of loss contingencies relating to claims litigation, assessment, fines, penalties etc. are recognized when amount can be estimated reliably.

(k) Contingent Liabilities and Contingent Assets

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

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

(l) 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 consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank Overdrafts as they are considered an integral part of the Company's cash management.

(m) 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 year.

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 is adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

SHARDA BOLIVIA SRL

**Notes to the Financial Statements
for the year ended 31 December , 2019**

3 Property,plant and equipment

Carrying amounts of:	31-Dec-19	31-Dec-18
Furniture & Fixtures	7	38
Office equipments	-	-
	7	38

Property,plant and equipment	<i>Furniture & Fixtures</i> <u>US \$</u>	<i>Office equipments</i> <u>US \$</u>	<i>Total</i> <u>US \$</u>
Cost or valuation			
As at 01 January, 2019	300	54	354
Addition during the year	-	-	-
Revaluation	2	-	2
As at 31 December, 2019	302	54	356
Accumulated depreciation			
As at 01 January, 2019	262	54	316
Charge for the year	32	-	32
Revaluation	1	-	1
As at 31 December, 2019	295	54	349
Net book value			
As at 31 December, 2018	38	-	38
As at 31 December, 2019	7	-	7

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

SHARDA BOLIVIA SRL
Notes to the Financial Statements
for the year ended 31 December , 2019

4 Cash and cash equivalents	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
Cash on hand	232	68
Balance with Bank	232	9
	464	77
<hr/>		
5 Other assets	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
Tax credit	8,518	7,611
	8,518	7,611
<hr/>		
6 Share capital	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
Authorised :		
100 shares of BOB 100 each	1,398	1,398
Issued and paid up		
100 shares of BOB 100 each	1,398	1,398
	1,398	1,398
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7 Reserves and surplus	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
a) Foreign currency translation reserve		
Opening balance	(52,453)	(52,452)
Add: Foreign currency translation reserve for the year	(447)	(1)
Closing balance	(52,900)	(52,453)
b) Accumulated profits		
Opening balance	(38,325)	(36,817)
Add: Profit/(loss) during the year	(5,120)	(1,508)
Closing balance	(43,445)	(38,325)
Total Reserves	(96,345)	(90,778)
<hr/>		
8 Other liabilities	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
Other payables	1,03,936	97,106
	1,03,936	97,106
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SHARDA BOLIVIA SRL
Notes to the Financial Statements
for the year ended 31 December , 2019

9 Other Income	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
Other Income	121	209
	<u>121</u>	<u>209</u>

10 Administrative Expenses	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
Depreciation	32	31
Staff expenses		-
Salaries		-
Telecommunication expenses	1,420	677
Courier expenses		
Rental	288	603
Rate and taxes	3,168	62
Printing and stationery		
Legal expenses	183	324
Fees and subscriptions	-	-
Office expenses	120	20
Testing and samples		
Bank charges	30	-
	<u>5,241</u>	<u>1,717</u>

11 Contingent Liability	Year ended	Year ended
	31-Dec-19	31-Dec-18
	<u>US \$</u>	<u>US \$</u>
Disputed cases**	-	5,08,762
	<u>-</u>	<u>5,08,762</u>

** The liability is disputed by Sharda Bolivia against Antonio Vargas Padillia (appellant) in relation to seizure of transport vehicle of the appellant by the Custom Authority

For and on behalf of the Board of Directors of SHARDA BOLIVIA SRL

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