

Report on the Financial Statements

We have audited the accompanying financial statements of **SHARDA BOLIVIA SRL**, which comprises the statement of financial position for the year ending 31.12.2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's responsibility

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

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

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of **SHARDA BOLIVIA SRL** for the year ending 31.12.2015 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

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



CA K.V.BESWAL
PARTNER
M.NO.131054
PLACE : MUMBAI
DATED : 05/05/2016



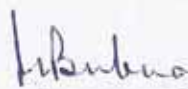
SHARDA BOLIVIA SRL

Statement of Financial Position
As at 31st December, 2015

	<u>Notes</u>	<u>31-Dec-15</u> <u>US \$</u>	<u>31-Dec-14</u> <u>US \$</u>
ASSETS			
Non-current assets			
Fixed assets	5	109	91
Total Non-current assets		109	91
Current assets			
Cash and cash equivalents	6	338	96
Miscellaneous assets	7	6,581	20,007
Total Current assets		6,919	20,103
TOTAL ASSETS		7,028	20,194
EQUITY AND LIABILITIES			
Equity			
Share capital	8	1,398	1,398
Accumulated Losses		(79,309)	(66,737)
Total Equity		(77,911)	(65,339)
Current liabilities			
Miscellaneous liabilities	9	84,939	85,533
Total Current Liabilities		84,939	85,533
TOTAL EQUITY AND LIABILITIES		7,028	20,194

The accompanying notes 1 to 12 form an integral part of these financial statements.
The Independent Reviewer's Report is attached herewith.

For Sharda Bolivia SRL


DIRECTOR
R V B


DIRECTOR
A R B



Alu

SHARDA BOLIVIA SRL

Statement of Comprehensive Income
for the period ended 31st December, 2015

		01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
Revenue		1,38,205	13,442
Cost of sales		(87,195)	(6,953)
Revenue from operations		<u>51,010</u>	<u>6,489</u>
Other Income	10	4,914	6,472
Other expenses	11	(20,986)	(11,098)
Profit/Loss for the period		<u>34,938</u>	<u>1,863</u>
Other comprehensive income			
Foreign currency translation difference		<u>(47,510)</u>	<u>(7,758)</u>
Total comprehensive income		<u>(47,510)</u>	<u>(7,758)</u>

The accompanying notes 1 to 12 form an integral part of these financial statements.



SHARDA BOLIVIA SRL

Statement of Changes in Equity
for the period ended 31st December, 2015

	<i>Share Capital</i> <u>US \$</u>	<i>Reserves</i> <u>US \$</u>	<i>Total</i> <u>US \$</u>
As at 31st December, 2014	1,398	(66,737)	(65,339)
Net (loss) for the period	-	34,938	34,938
Currency translation difference	-	(47,510)	(47,510)
As at 31st December, 2015	<u>1,398</u>	<u>(79,309)</u>	<u>(77,911)</u>

The shareholders as on 31/12/2015 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



SHARDA BOLIVIA SRL

Statement of Cash flows
for the period ended 31st December, 2015

	01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
<u>Cash flows from operating activities</u>		
Net loss for the period	34,938	1,863
Adjustments for:		
Depreciation	32	34
Operating loss before working capital changes	34,970	1,897
Changes in miscellaneous Liabilities	(594)	25,927
Changes in miscellaneous assets	13,426	(20,007)
Net cash (used in) operating activities	47,802	7,817
<u>Cash flows from investing activities</u>		
Purchase of fixed assets	(50)	-
Net cash (used in) investing activities	(50)	-
<u>Cash flows from financing activities</u>		
Net cash from financing activities	-	-
Net changes in cash and cash equivalents	47,752	7,817
Cash and cash equivalents at beginning of period	96	38
Exchange rate fluctuation	(47,510)	(7,758)
Cash and cash equivalents at the end of the period	338	96

The accompanying notes 1 to 12 form an integral part of these financial statements.



SHARDA BOLIVIA SRL
Notes to the Financial Statements
for the period ended 31st December, 2015

1 Legal status

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

2 Basis of preparation

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) for the purpose of consolidation with Siddhivinayak International Ltd.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

c) Functional and presentation currency

The functional currency of the company is Bolivian Boliviano (BOB). These financial statements are presented in United States Dollars (USD). In absence of information regarding date of acquisition, Fixed Assets are valued at the rate of conversion as on date of incorporation.

3 Use of estimates and judgment

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments made in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:-

Impairment

At each reporting date, management conducts an assessment of fixed assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to income statement or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.



SHARDA BOLIVIA SRL
Notes to the Financial Statements
for the period ended 31st December, 2015

Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting sheet date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated useful life of fixed assets

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

Inventory provisions

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

Impairment

Assessments of net recoverable amounts of fixed assets and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

4 Adoption of new International Financial Reporting Standards

The following International Financial Reporting Standards, amendments thereto and interpretations that became effective for the current reporting period and which are applicable to the company are as follows:

- IAS 24: Related Party Disclosures
- Improvements to IFRS

Their adoption has resulted in presentation and disclosure changes only.

Significant accounting policies:

a) Depreciation of fixed assets

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

Computers - 4 years
Office equipment - 10 years

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

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



b) **Financial Instruments**

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.

Financial assets

Non derivative financial assets

Initial Recognition and Measurement

Financial assets are recognized on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial assets at initial recognition.

When financials assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent Measurement

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, available-for-sale financial assets and loans and receivables.

Derivative financial instruments:

A derivative financial instrument is one with all three of the following characteristics:

It's value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying');

It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
It is settled at a future date.

Recognition and Measurement

Derivative Financial Instruments

The company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.



SHARDA BOLIVIA SRL
Notes to the Financial Statements
for the period ended 31st December, 2015

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in income statement immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in income statement depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as financial assets and a derivate with a negative fair value is recognized as financial liability.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to the initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in income statement when the loans and receivables are derecognized or impaired, and through the amortization process.

c) Foreign currency transactions

Transactions in foreign currencies are converted into United States Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into United States Dollars at the rate of exchange ruling at the balance sheet date. Resulting gain or loss is taken to the income statement

d) Impairment

The carrying amounts of the assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the income statement.

e) Trade and other payables

Liabilities are recognized for amounts to be paid for goods or services received, whether invoiced by the supplier or not.

f) Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.



SHARDA BOLIVIA SRL
Notes to the Financial Statements
for the period ended 31st December, 2015

g) Fair values

The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity.

h) Revenue recognition

Sales of goods

Sales represents net amount invoiced for goods delivered during the year. Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

The company recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the company; and specific criteria have been met for each of the companies' activities.

i) Borrowing costs

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

j) Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

k) Dividend:

Dividend is paid out of accumulated profits, when declared.



SHARDA BOLIVIA SRL

Notes to the Financial Statements
for the period ended 31st December, 2015

5	Fixed assets	Furniture & Fixtures	Computer equipments	Total
		<u>US \$</u>	<u>US \$</u>	<u>US \$</u>
	Cost			
	As at 01.01.2015	211	43	254
	Addition during the year	42	8	50
	As at 31.12.2015	253	51	304
	Depreciation			
	As at 01.01.2015	120	43	163
	Charge for the period	30	2	32
	As at 31.12.2015	150	45	195
	Net book value			
	As at 31.12.2014	91	-	91
	As at 31.12.2015	103	6	109

In the opinion of management, there was no impairment in respect of fixed assets. Hence carrying value of fixed assets as at 31st December 2015 approximates their net book value.



SHARDA BOLIVIA SRL

Notes to the Financial Statements
for the period ended 31st December, 2015

	31-Dec-15 US \$	31-Dec-14 US \$
6 Cash and cash equivalents		
Cash on hand	17	57
Balance with Bank	321	39
	338	96
7 Miscellaneous assets		
Tax credit	6,581	20,007
	6,581	20,007
8 Share capital		
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
9 Miscellaneous liabilities		
Other payables	84,939	85,533
	84,939	85,533
10 Other Income		
Other Income	4,914	6,472
	4,914	6,472



Notes to the Financial Statements
for the period ended 31st December, 2015

11 Other Expenses	31-Dec-15 <u>US \$</u>	31-Dec-14 <u>US \$</u>
Depreciation	32	34
Staff expenses	1,251	946
Salaries	3,555	2,926
Telecommunication expenses	-	64
Courier expenses	188	103
Rental	-	1,389
Other expenses	8,652	1,462
legal expenses	751	1,374
Fees and subscriptions	2,824	2,424
Computer maintenance expenses	-	10
Bank charges	2,551	-
Testing and samples	1,182	366
	20,986	11,098

12 Related Party Transactions

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

During the year, the company has not undertaken any related party transaction with the parties covered under aforesaid.

13 Contingent Liability

	31-Dec-15 <u>US \$</u>	31-Dec-14 <u>US \$</u>
Disputed cases**	539,518	539,518
	539,518	539,518

** 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

