



Excel Crop Care Limited
Beyond crop protection. Behind every farmer

ANNUAL REPORT 2016-17
Subsidiaries of Excel Crop Care Limited

**EXCEL CROP CARE LIMITED
SUBSIDIARY COMPANIES
2016-17**

C O N T E N T S

EXCEL CROP CARE (AFRICA) LIMITED	01-16
EXCEL CROP CARE (EUROPE) NV	17-23
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EXCEL CROP CARE (AFRICA) LIMITED

REPORT OF DIRECTORS

The Directors present their report together with the audited financial statements for the year ended 31st March 2017, which disclose the state of affairs of the company as at 31st March 2017 and the results of operation for the year ended on that date.

1. INCORPORATION AND NATURE OF BUSINESS

The company was incorporated on 15th June 2010. The main activities of the company are principally to sell agricultural chemicals. The company obtained all the licenses and Permissions to start and carry on business in Tanzania. The company commenced its business operations in the financial year 2011-12.

2. DIRECTORS

There is a change in Directors of the Company during the financial year ended 31st March 2017. The particulars of the continuing and other Directors of the Company are as follows:-

Directors of the Company who continued to be Directors during the year

Name of the Director	Position	Nationality	Appointment Date
Mr. Mukul Chandra Asher	Non-Executive	Indian	15th June, 2010
Mr. Ravi Sursinh Bhatia	Non-Executive	Indian	15th June, 2010

Directors of the Company appointed during the year

Name of the Director	Position	Nationality	Appointment Date w.e.f.
Mr. Chetan Shantilal Shah	Non-Executive	Indian	26th October, 2016
Mr. Ninad Dwarkanath Gupte	Non-Executive	Indian	26th October, 2016
Mr. Tadashi Katayama	Non-Executive	Japanese	26th October, 2016

Directors of the Company retired during the year

Name of the Director	Position	Nationality	Date of Retirement
Mr. Dipesh Kantisen Shroff	Non-Executive	Indian	26th October, 2016
Mr. Srinivasan Krishnan	Non-Executive	Indian	26th October, 2016

The Board places on record the valuable contribution of Mr. Dipesh Kantisen Shroff and Mr. Srinivasan Krishnan, who retired during the year, to the Company's business and to the deliberations of the Board.

There is no requirement for director's rotation in accordance with the Company's Articles of Association.

3. CORPORATE GOVERNANCE

The Board of directors consists of five Directors. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering material financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

EXCEL CROP CARE (AFRICA) LIMITED

4. SHAREHOLDERS

The shareholders of the Company as at 31st March 2017 were:

Name of the shareholder	Number of Shares	(Amount in Tshs.)
Excel Crop Care Limited (India)	1,699	169,900,000
Excel Crop Care (Australia) Pty. Limited	1	100,000
Total	1,700	170,000,000

5. PERFORMANCE FOR THE YEAR

The results for the year ending on 31st March 2017 and the appropriation thereof are as set out on page no. 8-21.

6. DIVIDEND

The Directors of your Company are pleased to declare a dividend of 15% (Tzs 15000 per share) subject to the approval of shareholders.

7. SOLVENCY

The state of affairs of the company as at 31st March 2017 is set out on page 8 of these financial statements.

The directors consider the Company to be solvent within the meaning ascribed by the Companies Act 2002. No matters have come to the attention of the directors to indicate that the Company will not remain a going concern for the next 12 months from the date of this report.

The holding company and other related companies will provide the necessary financial support to enable the Company to continue its future operations. The Board of directors confirms that applicable accounting standards have been followed and are of opinion that the Company will be a going concern in years ahead. Accordingly, the financial statements have been prepared on a going concern basis.

8. EMPLOYEES

The relationship between management and employees of the company during the year was good and cordial.

9. RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in the notes to financial statements page no. 21 and those transactions are all at arm's length price.

10. DISABLED PERSONS

The company's policy is to continue with engagement of employees who become disabled while in the services of the company.

11. STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Board accepts final responsibility for the risk management and internal control systems of the Company. It is the task of management to ensure that adequate internal financial and operations control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:-

- The efficiency and effectiveness of operations;
- The safeguarding of Company's Assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions and;
- Responsible behavior towards all stake holders

EXCEL CROP CARE (AFRICA) LIMITED

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the company's internal control system is designed to provide the Board with reasonable assurance that the procedures in place are operating efficiently.

The Board assessed the internal control systems throughout the period ended 31st March 2017 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through Board Meetings on regular basis.

12. POLITICAL AND CHARITABLE DONATIONS

As a policy the company does not make any political donations.

13. FUTURE PLAN

Annual strategic plans are developed and revised as needed to provide operating management with the guidance and direction for assuring business goals and targets are met.

14. INDEPENDENT AUDITOR

M/s. Baker Tilly DGP & Co. have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing their reappointment as Auditors of the Company for the year 2017-18 will be put to the Annual General Meeting.

15. ACKNOWLEDGEMENT

Your directors wish to place on records, their sincere thanks and deep sense of appreciation for the overwhelming co-operation and assistance received from the Government of Tanzania, the Tanzania Revenue Authority, Tanzania Port Authority, various other Government and Semi Government organizations, the bankers of the company and last but not the least the employees of the company. The management looks forward for the continued support from all for the coming future.

Approved by the Board of Directors on 10.05.17 and signed on its behalf by.

Chetan S. Shah
Director

Ravi S. Bhatia
Director

10th May, 2017

DECLARATION OF THE HEAD OF ACCOUNTING AND FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under paragraph of Responsibilities of the Authorized Representatives on an earlier page.

I, ALLEN MWIHAVA being the Head of Accountant of Excel Crop Care (Africa) Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st March 2017 have been prepared in compliance with applicable accounting standards and statutory requirements. I thus confirm that the financial statements give a true and fair view position of Excel Crop Care (Africa)Limited as on that date and that they have been prepared based on properly maintained financial records

Signed by: ALLEN MWIHAVA

Position: Head of Accountant

NBAA Membership No. 3216

Date: 10th May, 2017

EXCEL CROP CARE (AFRICA) LIMITED

INDEPENDENT AUDITOR'S REPORT

To
The Members of Excel Crop Care (Africa) Limited

Opinion

We have audited the financial statements of Excel Crop Care (Africa) Limited (the Company), which comprise the Statement of Financial Position as at 31st March 2017, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor responsibilities for the audit of the financial statements section of our report*. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements in accordance with National Board of Accountants and Auditors (code of ethics) by- laws 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Director's Report as required by the Companies Act, 2002, which we obtained prior to the date of this report. Other information does not include the Financial Statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

EXCEL CROP CARE (AFRICA) LIMITED

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the directors.

Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Companies Act, 2002, we report to you, based on our audit, that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii) the director's report is consistent with the financial statements;
- iv) information specified by the law regarding director's remuneration and transactions with the Company is disclosed; and
- v) the Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,
Kailas K. Bhattbhatt
Partner

Place : Dar es Salaam
Dated : 18th May, 2017

EXCEL CROP CARE (AFRICA) LIMITED

STATEMENT OF FINANCIAL POSITION AS ON 31ST MARCH, 2017

Particulars	NOTE	31st March, 2017 Tzs	31st March, 2016 Tzs
Non-current assets			
Property, plant & equipment	19	2,517,700	4,028,320
Deferred tax assets	12	5,174,412	—
		<u>7,692,112</u>	<u>4,028,320</u>
Current assets			
Trade and other receivables	13	3,411,026,220	3,063,870,219
Cash and cash equivalents	14	1,694,640,520	1,310,360,799
		<u>5,105,666,740</u>	<u>4,374,231,018</u>
Total assets		<u><u>5,113,358,852</u></u>	<u><u>4,378,259,338</u></u>
Equity			
Share capital	15	170,000,000	170,000,000
Retained earnings		1,173,803,128	1,084,049,585
		<u>1,343,803,128</u>	<u>1,254,049,585</u>
Non-current liabilities			
Deferred tax liabilities	12	—	1,783,268
		<u>—</u>	<u>1,783,268</u>
Current liabilities			
Trade and other payables	16	4,417,125,518	3,021,428,767
Provisions	17	75,896,592	79,003,798
Current tax	18	(723,466,386)	21,993,920
		<u>3,769,555,724</u>	<u>3,122,426,485</u>
Total equity and liabilities		<u><u>5,113,358,852</u></u>	<u><u>4,378,259,338</u></u>

The significant accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 21 were approved by the Board of Directors and signed on behalf by:

10th May, 2017

Chetan S. Shah
Director

Ravi S. Bhatia
Director

EXCEL CROP CARE (AFRICA) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	NOTE	2016-17 Tzs	2015-16 Tzs
Revenue		13,865,372,532	13,517,160,484
Cost of sales	6	(12,933,585,041)	(12,119,008,993)
Gross profit		931,787,491	1,398,151,491
Other income	7	13,541,631	189,849,272
		945,329,122	1,588,000,763
Less: Expenses			
Staff costs	8	(235,314,404)	(229,729,900)
Administrative Expenses	9	(182,313,819)	(256,557,561)
Selling and distribution expenses	10	(295,620,015)	(300,789,402)
Financial expenses	11	(124,006,765)	(121,378,624)
		(837,255,003)	(908,455,487)
Profit/(Loss) before tax		108,074,119	679,545,276
Less: Tax expense/credit	12	(32,422,236)	(240,582,096)
Profit/(Loss) after tax		75,651,883	438,963,180
Other comprehensive income/(loss)			
Bad debt recovered		43,628,000	-
Total comprehensive income/(loss)		119,279,883	438,963,180

The significant accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.

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10th May, 2017

Chetan S. Shah
Director

Ravi S. Bhatia
Director

EXCEL CROP CARE (AFRICA) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2017

Particulars	Share Capital Tzs	Retained Earnings Tzs	Total Tzs
Year ended 31st March 2016			
As at start of the year	170,000,000	730,308,765	900,308,765
Prior year adjustments	—	(222,360)	(222,360)
Dividend Paid	—	(85,000,000)	(85,000,000)
	170,000,000	645,086,405	815,086,405
Net profit/(loss)	—	438,963,180	438,963,180
At the end of the year	170,000,000	1,084,049,585	1,254,049,585
Year ended 31st March 2017			
As at start of the year	170,000,000	1,084,049,585	1,254,049,585
Dividend paid	—	(85,000,000)	(85,000,000)
Prior year adjustment	—	55,473,660	55,473,660
	170,000,000	1,054,523,245	1,224,523,245
Net profit/(loss)	—	119,279,883	119,279,883
At the end of the year	170,000,000	1,173,803,128	1,343,803,128

The significant accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.

Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 21 were approved by the Board of Directors and signed on behalf by:

10th May, 2017

Chetan S. Shah
Director

Ravi S. Bhatia
Director

EXCEL CROP CARE (AFRICA) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17 Tzs	2015-16 Tzs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	108,074,119,	679,545,276
Adjustments for:		
Depreciation	1,510,620	2,416,992
Provision for bad debts	—	104,640,000
Bad debt recovered	43,628,000	—
Prior period adjustment	55,473,660	(222,360)
Unrealised forex exchange (gain)/loss	17,248,040	(5,944,227)
	225,934,439	780,435,681
Movements in working capital:		
(Increase)/decrease in inventories	—	2,953,035
(Increase)/decrease in trade and other receivables	(323,901,987)	1,935,207,122
Increase/(decrease) in trade and other payables	1,339,408,380	(1,718,626,564)
	1,241,440,832	999,969,274
Cash generated from operations	1,241,440,832	999,969,274
Less: Taxes paid	(772,647,811)	(235,867,153)
	468,793,021	764,102,121
Net cash generated by operating activities (A)	468,793,021	764,102,121
Cash flow from investing activities		
Net cash (used in)/generated by investing activities (B)	—	—
Cash flow from financing activities		
Dividend paid	(85,000,000)	(85,000,000)
	(85,000,000)	(85,000,000)
Net cash (used in)/generated by financing activities (C)	(85,000,000)	(85,000,000)
Net increase in cash and cash equivalents (A + B + C)	383,793,021	679,102,121
Cash and Cash equivalent at the beginning of the year	1,310,360,799	627,999,395
Effect of exchange rate changes on the cash and cash equivalents held in foreign currencies	486,700	3,259,283
	1,694,640,520	1,310,360,799
Cash and Cash equivalent at the end of the year	1,694,640,520	1,310,360,799

The significant accounting policies on pages 12 to 16 and the notes on pages 17 to 21 form an integral part of these financial statements.
Report of the Independent Auditor's on page 6 & 7.

The financial statements on Pages 8 to 21 were approved by the Board of Directors and signed on behalf by:

10th May, 2017

Chetan S. Shah
Director

Ravi S. Bhatia
Director

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Excel Crop Care (Africa) Limited is a limited liability company incorporated and domiciled in the United Republic of Tanzania. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholders of the company.

2. ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

A. Standards, Amendments to the Standards and Interpretations effective in the year 2016

The following standards, amendments and new interpretations issued by the IFRIC are mandatory for the accounting periods beginning on or after 1st January 2016:

- Amendments to IFRS 5 - Changes in method of disposal (effective from 1st January 2016)
- Amendments to IFRS 7 - Service contracts and Applicability of offsetting disclosure to condensed interim financial statements (effective from 1st July 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28 - Definition of Investment Entity and the requirements for an entity that meets this definition not to consolidate its subsidiaries but instead measure them at fair value through profit or loss (effective from 1st January 2016)
- Amendment to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (effective from 1st January 2016)
- IFRS 14 - Regulatory Deferral Accounts (effective from 1st January 2016)
- (This IFRS is applicable for entity's first IFRS financial statements. However, it is not applicable to the Company since it is not the first time adopter of IFRSs)
- Amendment to IAS 1 - Disclosure initiative (effective from 1st January 2016)
- Amendment to IAS 16 & IAS 38 - Clarification of Acceptable Methods of Depreciation & Amortization (effective from 1st January 2016)
- Amendment to IAS 16 & IAS 41 - Agriculture : Bearer Plants (effective from 1st January 2016)
- Amendment to IAS 19 - Discount rate : regional market issue (effective from 1st January 2016)
- Amendment to IAS 27 - Equity Method in Separate Financials Statements (effective from 1st January 2016)
- Amendment to IAS 34 - Disclosure of information 'elsewhere in the interim financial report' (effective from 1st January 2016)

The adoption of these standards, amendments and interpretations has not led to any change in the accounting policies of the Company.

B. Standards, Amendments and Interpretations issued, but not yet effective

A number of new standards, amendments to standards and interpretations are effective for forthcoming periods and the Company had not adopted any of these Standards, Amendments of interpretations from an early date. The management does not foresee any major change in the accounting policies of the Company due to such amendments.

- IFRS 9 - Financial Instruments (effective from 1st January 2018)
- IFRS 15 - Revenue from Contracts with Customers (effective from 1st January 2018)
- IFRS 16 - Leases (effective from 1st January 2019)
- Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions (effective from 1st January 2018)

3. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

A. BASIS OF PREPARATION

The financial statements of Excel Crop Care (Africa) Limited comply with the Tanzanian Companies Act 2002 and have been prepared in accordance with International Financial Reporting Standards (IFRS). Where necessary, comparative figures have been amended to confirm with changes in presentation in the current year. The financial statements are prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

B. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's balance sheet when the company has become a party to the contractual provisions of the instrument. The accounting policies in respect of the main financial instruments are set out below:

(i) Cash and cash equivalents

Cash and cash equivalents comprise, balances with banks, cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(ii) Trade debtors and other receivables

Trade debtors and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade debtors and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the income statement. Bad debts are written off after all steps to recover them have failed.

(iii) Financial liabilities and trade payable

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the financial liability using the effective interest method.

Trade payables are initially measured at cost, which is the fair value of the amount payable in future, and are subsequently measured at amortised cost, using the effective interest rate method.

(iv) Fair values

Except where stated elsewhere, the carrying amounts of the financial instruments approximate their fair values because they carry market rates of interest.

C. FOREIGN CURRENCIES

(i) Functional and presentation currency

Items included in the financial statements of the company are measured using Tanzanian Shillings, the currency of the primary economic environment in which the entity operates ("functional currency").

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. They are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

D. DEFERRED INCOME TAXES

Income tax expense is the aggregate of the charge to the income statement in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with Tanzania Income Tax Act 2004.

Deferred income tax is provided in full using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Under this method the company is required to make provision for deferred income taxes on the revaluation of certain non-current assets and, in relation to an acquisition, on the difference between the fair values of the net assets acquired and their tax base.

The principal temporary differences arise from depreciation on property, plant and equipment, and tax losses carried forward.

Deferred income tax is determined using tax rates (and laws) that have been enacted or subsequently enacted to the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

E. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses incurred that are recoverable.

F. PROVISION

Provisions are recognised when the company has a present or constructive obligation as a result of past events; it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

G. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party making financial or operational decisions.

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) **Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(ii) **Assets useful lives**

The useful lives of plant and equipment have been estimated to be in line with the rate at which they are depreciated i.e. 37.5% for Motor vehicles Class I.

(iii) **Provision for impairment of trade receivables**

Provision for impairment of trade receivables have been estimated based on the probability of future recoverability of these receivables.

5. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise inter-company and trade payables. The main purpose of these financial liabilities is to raise finance for the operations of the Company. The Company has various financial assets such as trade receivables and cash and cash equivalents which arise directly from its operations.

The company's activities expose it to a variety of financial risks including; market risk, foreign currency risk, liquidity risk and credit risk. A description of the significant risk factors is given below together with the risk management policies applicable.

(i) **Market risk - foreign currency risk**

The company operates wholly in Tanzania and its assets and liabilities are reported in Tanzanian Shillings. The company receives significant part of its revenue in Euro and US Dollar currencies and also pays part of its expenses in foreign currency. It is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollars and Euros.

Exposure to foreign currency risk is not hedged but the company maintains bank accounts in Tanzanian Shillings, US Dollars and Euros to which payments obligations are designated.

(ii) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities.

The company minimizes liquidity risks by maintaining adequate current assets that cover all current liabilities.

(iii) **Credit risk**

Potential concentration of credit risk consists partially of trade debtors. Trade debtors are presented net of provision for impairment. Accordingly, the company has no significant credit risk which has not been adequately provided for. The company maintains proper credit vetting and credit controls and the terms of sales on credit are with customers who have proven credit worthiness.

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17	2015-16
	Tzs	Tzs
6. COST OF SALES		
Opening stock	—	860,974,745
Add: Purchases	12,922,539,335	11,257,126,172
	12,922,539,335	12,118,100,917
Add: Direct costs		
Clearing and forwarding charges	11,045,706	908,076
Total cost of sales	12,933,585,041	12,119,008,993
7. OTHER INCOME		
Miscellaneous income	13,541,631	447,016
Foreign exchange gain – realised	—	183,458,029
Foreign exchange gain – unrealised	—	5,944,227
Total	13,541,631	189,849,272
8. STAFF COST		
Salary & Wages	192,393,333	174,285,000
Staff insurance	3,187,471	3,910,750
Other Allowance	8,896,000	22,924,800
PPF/NSSF Contribution	18,936,000	17,428,500
Staff LTA	10,008,000	9,810,000
Workmen compensation fund	1,893,600	1,370,850
Total	235,314,404	229,729,900
9. ADMINISTRATIVE EXPENSES		
Audit fees	21,469,864	16,206,120
Consultancy charges	—	—
Depreciation	1,510,620	2,416,992
Electricity expenses	720,175	3,315,900
Fuel and vehicle expenses	2,347,100	5,786,000
Motor vehicle insurance expenses	613,305	—
Service & maintenance charges on rent	4,761,720	4,277,700
Rent	39,370,728	43,594,560
Postage, courier, internet and telephone expenses	11,570,067	13,135,549
Professional and legal fees	23,194,984	16,946,100
Provision for bad debts	—	104,640,000
Registration and license expenses	4,536,650	4,586,016
Repairs and maintenance - Indirect	2,410,600	3,085,000
Printing and stationery expenses	1,722,228	2,265,290
News paper and periodicals	381,000	326,500
Transportation and travelling expenses	67,704,778	31,221,634
Visa and permit expenses	—	4,754,200
Total	182,313,819	256,557,561

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17 Tzs	2015-16 Tzs	
10. SELLING AND DISTRIBUTION EXPENSES			
City service levy charges	41,596,117	40,551,481	
Promotion expenses	248,858,898	125,982,195	
Sales commission	—	120,367,180	
Marketing expenses	5,165,000	13,888,546	
Total	295,620,015	300,789,402	
11. FINANCIAL EXPENSES			
Bank charges	93,173,095	121,378,624	
Foreign exchange loss - realised	13,585,630	—	
Foreign exchange loss - unrealised	17,248,040	—	
Total	124,006,765	121,378,624	
12. TAX EXPENSES			
Current tax	39,379,916	237,918,920	
Deferred tax	(6,957,680)	2,663,176	
Total	32,422,236	240,582,096	
Reconciliation of tax expenses:			
Net profit as per statement of profit or loss	108,074,119	679,545,276	
Tax @ 30% (2016: 30%)	32,422,236	203,863,583	
Adjustment for:			
Effect of disallowances under tax laws			
Permit and visa fees	—	1,426,260	
Provision for bad debts	—	31,392,000	
Withholding tax on promotional expenses	—	3,900,253	
Tax expenses as per books	32,422,236	240,582,096	
Break-up of deferred tax:			
Particulars	At start of the year Tzs	Charge/(credit) to statement of profit or loss Tzs	At end of the year Tzs
<u>Deferred tax liabilities</u>			
Unrealised foreign exchange gain	1,783,268	(1,783,268)	—
	1,783,268	(1,783,268)	—
<u>Deferred tax asset</u>			
Unrealised foreign exchange loss	—	(5,174,412)	(5,174,412)
	—	(5,174,412)	(5,174,412)
Net deferred tax liability/(asset)	1,783,268	(6,957,680)	(5,174,412)

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17	2015-16
	Tzs	Tzs
13. TRADE AND OTHER RECEIVABLES		
Advance tax paid for earlier years	—	12,192,411
Prepaid expenses	1,457,898	2,560,750
Trade debtors	3,409,568,322	3,153,757,058
Less: Provision for bad debt	—	(104,640,000)
	<u>3,411,026,220</u>	<u>3,063,870,219</u>
14. CASH AND CASH EQUIVALENTS		
Cash in hand	4,864,189	237,204
Cash at banks	1,689,776,331	1,310,123,595
	<u>1,694,640,520</u>	<u>1,310,360,799</u>
15. SHARE CAPITAL		
<u>Authorised capital</u>		
10,000 shares of Tzs 100,000/- each	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued and paid-up share capital		
1,700 shares of Tzs 100,000/- each	<u>170,000,000</u>	<u>170,000,000</u>
	<u>170,000,000</u>	<u>170,000,000</u>
16. TRADE AND OTHER PAYABLES		
Trade creditors	9,826,091	90,927,538
Due to associate companies and related parties	4,406,122,931	2,914,538,393
Withholding tax payable	1,176,496	15,962,836
	<u>4,417,125,518</u>	<u>3,021,428,767</u>
17. PROVISIONS		
Audit fees payable	18,094,464	15,519,420
Professional fees payable	8,497,904	2,760,970
Provision for expenses	49,304,224	60,723,408
	<u>75,896,592</u>	<u>79,003,798</u>
18. CURRENT TAX		
Provisional tax - previous years	21,993,920	19,942,153
Tax paid for earlier years	(21,993,920)	(19,942,153)
Tax paid for the year 2012-13	(12,192,411)	—
Provision for tax current year tax	39,379,916	237,918,920
Advance tax paid	(33,178,200)	(215,925,000)
Tax recoverable adjusted	(717,475,691)	—
	<u>(723,466,386)</u>	<u>21,993,920</u>

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Motor vehicles Class I Tzs	Total Tzs
19. PROPERTY, PLANT & EQUIPMENT		
Cost		
Balances at 1st April 2015	24,000,000	24,000,000
Additions	—	—
Balances at 31st March 2016	24,000,000	24,000,000
Balances at 1st April 2016	24,000,000	24,000,000
Additions	—	—
Balances at 31st March 2017	24,000,000	24,000,000
Accumulated depreciation		
Balances at 1st April 2015	17,554,688	17,554,688
Depreciation for the year	2,416,992	2,416,992
Balances at 31st March 2016	19,971,680	19,971,680
Balances at 1st April 2016	19,971,680	19,971,680
Depreciation for the year	1,510,620	1,510,620
Balances at 31st March 2017	21,482,300	21,482,300
Carrying value		
Balances at 31st March 2017	2,517,700	2,517,700
Balances at 31st March 2016	4,028,320	4,028,320
20. RELATED PARTY DISCLOSURE		
The company has following related parties by virtue of common shareholding / directorship:		
(1) Excel Crop Care Limited (India) - Holding company of Excel Crop Care (Africa) Limited		
	2016-17 Tzs	2015-16 Tzs
Transactions:		
Purchases	12,687,722,896	11,047,600,122
	31st March 2017 Tzs	31st March 2016 Tzs
Outstanding balances:		
Trade payables	4,406,122,931	2,914,538,393
21. CONTINGENT LIABILITIES AND COMMITMENTS		
The management does not anticipate any contingent liabilities as at 31st March 2017.		
22. Previous year's figure have been regrouped / rearranged wherever necessary to make them comparable with those of current year.		

EXCEL CROP CARE (EUROPE) NV

REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF SHAREHOLDERS

Dear Sirs,

We have the honour to report to you on the activities of our company during the closed financial year and to submit the annual accounts closed on 31 March 2017 for approval in accordance with the legal and statutory stipulations.

1. COMMENTS WITH THE ANNUAL ACCOUNTS

1.1 Balance after appropriation

The fixed assets have not changed since last financial year and remain at EUR 3,300.00.

The current assets have increased from EUR 1,987,227.10 to EUR 2,044,587.76.

The net assets have decreased from EUR 1,559,009.69 to EUR 1,526,025.85 for the closed financial year.

The debts have increased from EUR 431,517.41 to EUR 521,861.91.

1.2. Income statement

• Operating income	EUR	3,042,511.26
• Operating charges (-)	EUR	3,091,936.24

The turnover of this year has increased from EUR 1,709,726.80 to EUR 3,030,561.43, as opposed to the previous financial year. The other operating income has increased from Nil to EUR 11,949.83.

The operating charges have increased from EUR 1,838,847.63 to EUR 3,091,936.24 as opposed to the previous financial year.

The financial income has increased from EUR 4,566.48 to EUR 26,224.85. The financial charges have increased from EUR 8,894.06 to EUR 9,783.71, so the final loss of the financial year amounts to EUR 32,983.84.

1.3. Appropriation of the result

We propose the following appropriation to you:

• Loss of the financial year to be appropriated	EUR	(32,983.84)
• Profit carried forward from the previous financial year	EUR	1,489,709.69
• Profit to appropriate	EUR	1,456,725.85
• Profit to carry forward	EUR	1,456,725.85

2. MAIN RISKS AND UNCERTAINTIES

With the exception of ordinary enterprise risks, we are of the opinion that there are no specific risks or uncertainties.

3. JUSTIFICATION OF THE VALUATION MEASURES UNDER THE ASSUMPTION OF CONTINUITY

The board of directors takes note of article 96, 6° of the Companies Code which shows that in the event the balance sheet shows a loss carried forward or if the income statement shows a loss of the financial year during two consecutive financial years, the Annual Report should contain a justification of the valuation rules under the assumption of continuity.

After deliberation, the board of Directors Decides that the continuity of the company is not endangered as the company has a net worth of EUR 1,526,025.85 on March 31st 2017.

EXCEL CROP CARE (EUROPE) NV

4. INFORMATION ON THE IMPORTANT EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

Since the closing of the financial year no events have occurred which could influence the results and the financial position of the company significantly.

5. CIRCUMSTANCES WHICH CAN SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE COMPANY

We do not foresee any circumstances worth mentioning that can influence the development of our company significantly.

6. RESEARCH AND DEVELOPMENT

During the closed financial year there were no activities carried out in the field of research and development.

7. CONFLICT OF INTEREST IN THE BOARD OF DIRECTORS (ARTICLE 523 OF THE COMPANIES CODE)

We mention that there were during the financial year no conflicts of interests that fall within the scope of article 523 of the Companies Code.

8. ANNOUNCEMENT REGARDING THE USE OF FINANCIAL INSTRUMENTS BY THE COMPANY INSOFAR THAT THESE ARE OF IMPORTANCE FOR THE REVIEW OF ITS ASSETS, LIABILITIES, ITS FINANCIAL SITUATION AND ITS RESULTS

The company does not use such instruments.

9. BRANCHES

The company does not own any branches.

10. CAPITAL MUTATIONS AND ISSUE OF CONVERTABLE BONDS AND WARRANTS AS DECIDED BY THE BOARD OF DIRECTORS IN THE COURSE OF THE FINANCIAL YEAR

The board of directors notifies that there were no capital mutations during the financial year to be reported in conformity with article 608 of the Companies Code, nor were there convertible bonds or warrants issued after a decision of the board of directors.

11. ACQUISITION OF OWN SHARES

The board of directors notifies that neither the company nor a direct subsidiary nor a person acting in own name but for the account of the company or a direct subsidiary has acquired shares, profit certificates or certificates of the company.

We hope that you will approve the attached annual accounts and will also grant release to the directors and the statutory auditor for acts carried out during the execution of their mandate during the closed financial year.

10th May 2017,
The Board of Directors,

Ninad D. Gupte	}	Director
Tadashi Katayama		Director
MBM Consult SPRL		Director Perm. repr. by M. Preti
Chetan Shah		Director

EXCEL CROP CARE (EUROPE) NV

STATUTORY AUDITOR'S REPORT TO THE SHAREHOLDERS' MEETING OF THE COMPANY EXCEL CROP CARE (EUROPE) NV FOR THE YEAR ENDED MARCH 31, 2017

As required by law and the company's articles of association, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the annual accounts, as well as the required additional statements. The annual accounts include the balance sheet as at March 31st, 2017, the income statement for the year then ended, and the disclosures.

Report on the annual accounts- Unqualified opinion

We have audited the annual accounts of EXCEL CROP CARE (EUROPE) NV for the year ended March 31, 2017, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of 2.047.887,76 EUR and a loss for the year of -32.983,84 EUR.

Responsibility of the board of Directors for the preparation of the annual accounts

The board of Directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium. and for such internal control as the board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs), as adopted in Belgium. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers the company's internal control relevant to the preparation of annual accounts that give a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of Directors, as well as evaluating the overall presentation of the annual accounts.

We have obtained from the board of Directors and company officials the explanations and information necessary for performing our audit.

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

Unqualified opinion

In our opinion, the annual accounts give a true and fair view of the company's net equity and financial position as at March 31, 2017, and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of Directors is responsible for the preparation and the content of the Director's report, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Company Code and with the company's by-laws.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements which do not modify the scope of our opinion on the annual accounts:

- The Director's report, prepared in accordance with the articles 95 and 96 of the Company Code and to be deposited in accordance with article 100 of the Company Code, includes both in terms of form and content, the information required by the law, is consistent with the annual accounts and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.
- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regularly requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the relevant requirements of the law and the company's by-laws.
- There are no transactions undertaken or decisions taken in breach of the by-laws or of the Company Code that we have to report to you.

Zandhoven, May 23 2017

The Statutory Auditor,

MERTENS, DEWAELE, ACHTEN & C°
Certified Public Accountants BV ufo BVBA
Represented by DIRK ACHTEN

EXCEL CROP CARE (EUROPE) NV

BALANCE SHEET AS AT 31ST MARCH, 2017

BALANCE SHEET AFTER APPROPRIATION	Discl.	Codes	Period €	Preceding period €
ASSETS				
Formation expenses	6.1	20	—	—
FIXED ASSETS		21/28	3.300,00	3.300,00
Intangible fixed assets	6.2	21	—	—
Tangible fixed assets	6.3	22/27	—	—
Land and buildings		22	—	—
Plant, machinery and equipment		23	—	—
Furniture and vehicles		24	—	—
Leasing and similar rights		25	—	—
Other tangible fixed assets		26	—	—
Assets under construction and advance payments		27	—	—
Financial fixed assets	6.4/6.5.1	28	3.300,00	3.300,00
Affiliated enterprises	6.15	280/1	—	—
Participating interests		280	—	—
Amounts receivable		281	—	—
Enterprises linked by participating interests	6.15	282/3	—	—
Participating interests		282	—	—
Amounts receivable		283	—	—
Other financial assets		284/8	3.300,00	3.300,00
Shares		284	—	—
Amounts receivable and cash guarantees		285/8	3.300,00	3.300,00
CURRENT ASSETS		29/58	2.044.587,76	1.987.227,10
Amounts receivable after more than one year		29	—	—
Trade debtors		290	—	—
Other amounts receivable		291	—	—
Stocks and contracts in progress		3	353.100,00	466.132,50
Stocks		30/36	353.100,00	466.132,50
Raw materials and consumables		30/31	—	—
Work in progress		32	—	—
Finished goods		33	—	—
Goods purchased for resale		34	353.100,00	466.132,50
Immovable property intended for sale		35	—	—
Advance payments		36	—	—
Contracts in progress		37	—	—
Amounts receivable within one year		40/41	962.361,30	1.482.977,89
Trade debtors		40	825.552,75	1.477.872,73
Other amounts receivable		41	136.808,55	5.105,16
Current Investments	6.5.1/6.6	50/53	—	—
Own shares		50	—	—
Other investments		51/53	—	—
Cash at bank and in hand		54/58	725.470,46	36.998,51
Deferred charges and accrued income	6.6	490/1	3.656,00	1.118,20
TOTAL ASSETS		20/58	2.047.887,76	1.990.527,10

EXCEL CROP CARE (EUROPE) NV

BALANCE SHEET AS AT 31ST MARCH, 2017 (Cont'd.)

	Discl.	Codes	Period €	Preceding period €
EQUITY AND LIABILITIES				
EQUITY				
Capital	6.7.1	10	63.000,00	63.000,00
Issued capital		100	63.000,00	63.000,00
Uncalled capital		101	—	—
Share premium account		11	—	—
Revaluation surpluses		12	—	—
Reserves		13	6.300,00	6.300,00
Legal reserve		130	6.300,00	6.300,00
Reserves not available		131	—	—
In respect of own shares held		1310	—	—
Other		1311	—	—
Untaxed reserves		132	—	—
Available reserves		133	—	—
Accumulated profits / (losses) (+)/(-)		14	1.456.725,85	1.489.709,69
Investment grants		15	—	—
Advance to associates on the sharing out of the assets		19	—	—
PROVISIONS AND DEFERRED TAXES		16	—	—
Provisions for liabilities and charges		160/5	—	—
Pensions and similar obligations		160	—	—
Taxation		161	—	—
Major repairs and maintenance		162	—	—
Environmental obligations		163	—	—
Other liabilities and charges	6.8	164/5	—	—
Deferred Taxes		168	—	—
AMOUNTS PAYABLE		17/49	521.861,91	431.517,41
Amounts payable after more than one year	6.9	17	—	—
Financial debts		170/4	—	—
Subordinated loans		170	—	—
Unsubordinated debentures		171	—	—
Leasing and other similar obligations		172	—	—
Credit institutions		173	—	—
Other loans		174	—	—
Trade debts		175	—	—
Suppliers		1750	—	—
Bills of exchange payable		1751	—	—
Advances received on contracts in progress		176	—	—
Other amounts payable		178/9	—	—
Amounts payable within one year	6.9	42/48	512.861,91	420.017,41
Current portion of amounts payable after more than one year falling due within one year		42	—	—
Financial debts		43	—	—
Credit institutions		430/8	—	—
Other loans		439	—	—
Trade debts		44	328.861,91	420.017,41
Suppliers		440/4	328.861,91	420.017,41
Bills of exchange payable		441	—	—
Advances received on contracts in progress		46	184.000,00	—
Taxes, remuneration and social security	6.9	45	—	—
Taxes		450/3	—	—
Remuneration and social security		454/9	—	—
Other amounts payable		47/48	—	—
Accruals and deferred income	6.9	492/3	9.000,00	11.500,00
TOTAL LIABILITIES		10/49	2.047.887,76	1.990.527,10

EXCEL CROP CARE (EUROPE) NV

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Discl.	Codes	Period €	Preceding period €
INCOME STATEMENT				
Operating Income		70/76A	3.042.511,26	1.709.726,80
Turnover	6.10	70	3.030.561,43	1.709.726,80
Stocks of finished goods and work and contracts in progress: increase/(decrease) (+)/(-)		71	—	—
Own work capitalised		72	—	—
Other operating income	6.10	74	11.949,83	—
Non-recurring operating income	6.12	76A		
Operating charges		60/66A	3.091.936,24	1.838.847,63
Raw materials, consumables		60	2.831.820,50	1.617.496,75
Purchases		600/8	2.718.788,00	1.669.428,00
Stocks: decrease/(increase) (+)/(-)		609	113.032,50	-51.931,25
Services and other goods		61	259.247,74	220.189,88
Remuneration, social security costs and pensions (+)/(-)	6.10	62	—	—
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets		630	—	—
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	6.10	631/4	—	-42.900,00
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	6.10	635/8	—	—
Other operating charges	6.10	640/8	868,00	44.061,00
Operating charges carried to assets as restructuring costs (-)		649	—	—
Non-recurring operating charges	6.12	66A		
Operating Profit/(Loss) (+)/(-)		9901	-49.424,98	-129.120,83
Financial income		75/76B	26.224,85	4.566,48
Recurring financial income		75	26.224,85	4.566,48
Income from financial fixed assets		750	—	—
Income from current assets		751	—	—
Other financial income	6.11	752/9	26.224,85	4.566,48
Non-recurring financial income	6.12	76B	—	—

EXCEL CROP CARE (EUROPE) NV

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Cont'd.)

	Discl.	Codes	Period €	Preceding period €
Financial charges		65/66B	9.783,71	8.894,06
Recurring financial charges	6.11	65	9.783,71	8.894,06
Debt charges		650	50,00	—
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)		651	—	—
Other financial charges		652/9	9.733,71	8.894,06
Non-recurring financial charges	6.12	66B	—	—
Gain/(Loss) for the period before taxes (+)/(-)		9903	-32.983,84	-133.448,41
Transfer from deferred taxes		780	—	—
Transfer to deferred taxes		680	—	—
Income taxes (+)/(-)	6.13	67/77	—	—
Taxes		670/3	—	—
Adjustment of income taxes and write-back of tax provisions		77	—	—
Gain/(Loss) of the period (+)/(-)		9904	-32.983,84	-133.448,41
Transfer from untaxed reserves		789	—	—
Transfer to untaxed reserves		689	—	—
Gain/(Loss) of the period available for appropriation (+)/(-)		9905	-32.983,84	-133.448,41
APPROPRIATION ACCOUNT				
		Codes	Period €	Preceding period €
Profit/(Loss) to be appropriated (+)/(-)		9906	1.456.725,85	1.489.709,69
Gain/(Loss) of the period available for appropriation (+)/(-)		(9905)	-32.983,84	-133.448,41
Profit/(Loss) brought forward (+)/(-)		14P	1.489.709,69	1.623.158,10
Withdrawals from capital and reserves		791/2	—	—
From capital and share premium account		791	—	—
From reserves		792	—	—
Transfer to capital and reserves		691/2	—	—
To capital and share premium account		691	—	—
To legal reserve		6920	—	—
To other reserves		6921	—	—
Accumulated profit (losses)		(14)	1.456.725,85	1.489.709,69
Owners' contribution in respect of losses		794	—	—
Profit to be distributed		694/7	—	—
Dividends		694	—	—
Directors' or managers' entitlements		695	—	—
Employees		696	—	—
Other beneficiaries		697	—	—

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
ABN 87 086 044 831

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 March 2017.

Directors

The names of the directors in office at any time or since the end of the year are:

Dipesh K. Shroff (resigned 10/11/2016)

Ninad D. Gupte

Jagdish R. Naik (resigned 10/11/2016)

Chetan S. Shah (appointed 10/11/2016)

Rodney C. Grosvenor

Tadashi Katayama (appointed 10/11/2016)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The company did not trade during the year. However, when trading its principal activities are importing and trading of chemical products.

Operating Results

The loss of the company for the financial year after providing for income tax amounted to \$36,930.

(2016: loss of \$37,240)

Review of Operations

There was no trading revenue during the year as the company did not undertake its normal trading activities. The results of the company's activities as undertaken during the year are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for dividends has been made.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Events arising since the end of the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Indemnities given or insurance premiums paid to officers and auditors

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
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Future Development

The likely developments in the operations of the company and the expected results of operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Board of Directors:

NINAD D. GUPTA

Director

RODNEY C. GROSVENOR

Director

Dated this 19th day of May, 2017

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

ABN 87 086 044 831

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

Opinion

I have audited the special purpose financial report of Excel Crop Care (Australia) Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, the accompanying special purpose financial report of Excel Crop Care (Australia) Pty Ltd, is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 March 2017 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company would be on the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 1(k) in the financial report, which indicates that the Company incurred a net loss of \$36,957 during the year ended 31 March 2017. As stated in Note 1(k) these events or conditions, along with other matters as set forth in Note 1(k), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Unless the company receives the funding support from its parent entity through the additional share capital issue as disclosed in Note 17, which at the date of this report was not carried out, the company will not be able to continue as a going concern. My opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
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a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report, or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the directors, I determine those matters that are of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Electronic Presentation of Audited Financial Statements

The auditor's report relates to the financial statements of Excel Crop Care (Australia) Pty Ltd for the year ended 31 March 2017 that may be included on Excel Crop Care (Australia) Pty Ltd's website. The Company's Directors are responsible for the integrity of Excel Crop Care (Australia) Pty Ltd's website. I have not been engaged to report on the integrity of Excel Crop Care (Australia) Pty Ltd's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlink to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on the Company's website.

P N MARKOULLI,
Registered Company Auditor: 159374.

Dated this 22nd day of May, 2017
Level 8, 80 Clarence Street, Sydney NSW 2000

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
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DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

- 1) The financial statements and notes as set out in page 8 to 24 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements, the *Corporation Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the company financial position as at 31 March 2017 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- 2) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

NINAD D. GUPTA

Director

RODNEY C. GROSVENOR

Director

Dated this 19th day of May, 2017

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
ABN 87 086 044 831

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH, 2017

	NOTE	2017 \$	2016 \$
Revenue	2	27	30
Cost of Sales	3	—	—
Gross Profit		<u>27</u>	<u>30</u>
Foreign Exchange gain/(loss)		9	(22)
Other Expenses		<u>(36,966)</u>	<u>(37,248)</u>
Profit/(Loss) before Income Tax		<u>(36,930)</u>	<u>(37,240)</u>
Income Tax (expense)/revenue	4	—	—
Profit/(Loss) for the year		<u>(36,930)</u>	<u>(37,240)</u>
Other comprehensive income		—	—
Total comprehensive income for the year		—	—
Total comprehensive income/(expense) attributable to the member		<u>(36,930)</u>	<u>(37,240)</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2017

	NOTE	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	16,143	53,395
Other current assets	6	1,166	1,165
TOTAL CURRENT ASSETS		<u>17,309</u>	<u>54,560</u>
NON-CURRENT ASSETS			
Financial Assets	7	1,135	1,135
TOTAL NON-CURRENT ASSETS		<u>1,135</u>	<u>1,135</u>
TOTAL ASSETS		<u>18,444</u>	<u>55,695</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	12,815	13,136
TOTAL CURRENT LIABILITIES		<u>12,815</u>	<u>13,136</u>
TOTAL LIABILITIES		<u>12,815</u>	<u>13,136</u>
NET ASSETS		<u>5,629</u>	<u>42,559</u>
EQUITY			
Issued capital	9	125,000	125,000
Retained earnings		<u>(119,371)</u>	<u>(82,441)</u>
TOTAL EQUITY		<u>5,629</u>	<u>42,559</u>

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017

	NOTE	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from non-trading sources		27	30
Payments to service providers		(37,287)	(36,744)
Exchange gain/(loss)		9	(22)
GST (paid)/received		(1)	(499)
Net cash provided by operating activities	10	<u>(37,252)</u>	<u>(37,235)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		—	—
Net cash used in Investing activities		<u>—</u>	<u>—</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		—	50,000
Net cash provided by financing activities		<u>—</u>	<u>50,000</u>
Net (decrease)/increase in cash & cash equivalents		<u>(37,252)</u>	<u>12,765</u>
Cash and cash equivalents at beginning of financial year		<u>53,395</u>	<u>40,630</u>
Cash and cash equivalents at end of financial year	5	<u><u>16,143</u></u>	<u><u>53,395</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

	NOTE	Share Capital Ordinary Shares \$	Retained Earnings (Accumulated Losses) \$	Total \$
EQUITY				
Balance as at 1 April 2015		75,000	(45,201)	29,799
Total comprehensive income for the year		—	(37,240)	(37,240)
Contributions of equity		50,000	—	50,000
Balance as at 31 March 2016		<u>125,000</u>	<u>(82,441)</u>	<u>42,559</u>
Balance as at 1 April 2016		125,000	(82,441)	42,559
Total comprehensive income for the year		—	(36,930)	(36,930)
Contributions of equity		—	—	—
Balance as at 31 March 2017	9	<u><u>125,000</u></u>	<u><u>(119,371)</u></u>	<u><u>5,629</u></u>

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Excel Crop Care (Australia) Pty Ltd. Excel Crop Care (Australia) Pty Ltd is a company limited by shares and domiciled in Australia.

Reporting Basis and Conventions

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements; these financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the mandatory Accounting Standards applicable to entities reporting to the Australian Securities and Investments Commission under the *Corporation Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the member. Such accounting policies are consistent with the previous year unless stated otherwise.

The financial statements have been prepared on accrual basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

The material accounting policies that have been adopted in the preparation of these statements are as follows:

Accounting Policies

a. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realization and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. Foreign Currency Transactions and Balances

Foreign currency transactions during the period are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted to the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise. The assets and liabilities of overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the statements of comprehensive income.

c. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

d. Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

NOTE 1 — STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES — (Contd.)

d. Financial Instruments (Continued)

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Classification and subsequent measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

e. Revenue and Other Income

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of Goods and Services Tax (GST).

f. Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result to changes in accounting policy.

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of the GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the financial statements of the financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

h. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

NOTE 1 — STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES — (Contd.)

Key Estimates

Impairment

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers.

(i) Adoption of New and Revised Accounting Standards

The significant impact(s) arising from the adoption of standards during the reporting period are shown on next page:

Standard name	Impact
AASB1053: Application of Tiers of Australian Accounting Standards	This standard allows certain entities to reduce disclosures.
AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions. This Standard does not significantly impact the company's financial report as a whole.
AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This standard does not significantly impact the company's financial statements.
AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. This standard does not significantly impact the company's financial statements.
AASB 1031: Materiality	The revised AASB1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2016-1 Part C issued in June 2016 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2016. This standard does not significantly impact the company's financial statements.
AASB 2013-9: Amendments to Australian Accounting Standards- Conceptual Framework, Materiality and Financial Instruments.	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporation Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i> . This standard does not significantly impact the company's financial statements.

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

ABN 87 086 044 831

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

NOTE 1 — STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES — (Contd.)

(j) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the company:

Standard name	Effective date for entity	Requirements	Impact
AASB 9: Financial Instruments.	1 January 2018	<p>AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. The main changes are:</p> <ul style="list-style-type: none"> (a) financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows (b) allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument (c) introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments (d) financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases (e) where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: <ul style="list-style-type: none"> – the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) – the remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:</p> <ul style="list-style-type: none"> – classification and measurement of financial liabilities; and – derecognition requirements for financial assets and liabilities. <p>AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.</p> <p>Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.</p>	The Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

ABN 87 086 044 831

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

NOTE 1 — STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES — (Contd.)

(j) New Accounting Standards for Application in Future Periods — (Contd.)

Standard name	Effective date for entity	Requirements	Impact
AASB 2016-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2016)	1 January 2018	AASB 2016-7 incorporates the consequential amendments arising from the issuance of AASB 9.	AASB 2016-7 incorporates the consequential amendments arising from the issuance of AASB 9.
AASB 15: Revenue from Contracts with Customers	1 January 2018	<p>When effective, this standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount.</p> <p>That reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:</p> <ul style="list-style-type: none"> (a) identify the contract(s) with a customer; (b) identify the performance obligations in the contract(s); (c) determine the transaction price; (d) allocate the transaction price to the performance obligation in the contract(s); and (e) recognise revenue when (or as) the performance obligations are satisfied. 	AASB may have impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.
AASB 2017-3: Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1301 Materiality	1 July 2017	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	The Standard is not expected to have a material impact on the financial statements.

k. Going Concern

The financial statements have been prepared on a going concern basis. In the year ended 31 March 2017 the company has incurred losses of \$36,957 (2016: Loss of \$37,240). The company's ability to continue as a going concern is dependent on generating sufficient income to cover costs and the continuing support from its holding company - Excel Crop Care Limited in India. Refer to Note 17 "Events after the Reporting Period" where the directors of the holding company have pledged continuing support by subscribing to additional share capital. However, should the losses continue and the holding Company does not provide financial support the company may not be able to continue as going concern.

l. Segment Reporting

The Company operates in Australia, but it is controlled by a foreign public company domiciled in India. When trading the principal activity of the company is the import and distribution of chemical products around Australia.

The Financial Report is authorised for issue on 11 May 2017 by the Board of directors.

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
ABN 87 086 044 831

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	2017 \$	2016 \$
NOTE 2 — REVENUE AND OTHER INCOME		
Sales revenue:		
— Sale of Goods	—	—
Other income	27	30
Total revenue	<u>27</u>	<u>30</u>
NOTE 3 — PROFIT/(LOSS) FROM ORDINARY ACTIVITIES		
Profit/(Loss) from ordinary activities before income tax expense has been determined after:		
Expenses		
Cost of Sales	—	—
Remuneration of Auditor		
Audit or Review	5,000	5,000
Net foreign exchange gains/(losses)	9	(22)
NOTE 4 — INCOME TAX EXPENSE		
(a) Income tax recognised in profit or loss		
Tax expense comprises:		
Current year tax expense	—	—
Deferred tax	—	—
Total income tax expense	<u>—</u>	<u>—</u>
(b) The prima facie tax payable on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Profit/(loss) from continuing operation	(36,930)	(37,240)
Income tax expense calculated at 30%	10,525	11,172
Reversal of total deferred tax assets	(10,525)	(11,172)
Income tax expense attributable to profit/(loss) from continuing operations	<u>—</u>	<u>—</u>
NOTE 5 — CASH AND CASH EQUIVALENTS		
Cash at Bank	11,120	48,381
USD Business Foreign Currency Account	5,023	5,014
	<u>16,143</u>	<u>53,395</u>
NOTE 6 — OTHER CURRENT ASSETS		
Current		
GST Receivable	1,166	1,165
	<u>1,166</u>	<u>1,165</u>
NOTE 7 — FINANCIAL ASSETS		
Non-Current		
Shares in related companies – at cost	1,135	1,135
	<u>1,135</u>	<u>1,135</u>
NOTE 8 — TRADE AND OTHER PAYABLES		
Current		
Trade Payables	12,815	13,136
	<u>12,815</u>	<u>13,136</u>

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
ABN 87 086 044 831

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	2017 \$	2016 \$
NOTE 9— ISSUED CAPITAL		
125,000 Fully paid ordinary shares		
Fully Paid Ordinary Shares		
Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. Ordinary shares are entitled to one vote when a poll is called.		
	<u>125,000</u>	<u>125,000</u>
NOTE 10— CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit/(Loss) after Income Tax		
Loss after Income tax	(36,930)	(37,240)
Add/(Less) Non cash flows in profit:		
– Unrealised foreign exchange gain/(loss)	—	—
Changes in assets and liabilities		
– (Increase)/Decrease in receivables	(1)	(499)
– Increase/(Decrease) in payables	(321)	504
Net cash provided by operating activities	<u>(37,252)</u>	<u>(37,235)</u>

NOTE 11— RELATED PARTIES

Directors

The names of each person holding the position of Director of Excel Crop Care (Australia) Pty Limited during the financial year are as follows:-

Dipesh K. Shroff
Jagdish R. Naik
Rodney C. Grosvenor
Ninad D. Gupte
Chetan S. Shah
Tadashi Katayama

The company is a wholly owned subsidiary of Excel Crop Care Limited in India.

When trading the company imports chemical products from Excel Crop Care Limited.

Rod Grosvenor, a director of the company is a principal of Grosvenor Business Advisers Chartered Accountants. Grosvenor Business Advisers Chartered Accountants provided accounting services to Excel Crop Care (Australia) Pty Limited during the year which amounted to \$25,500 (2016 : \$25,500).

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

ABN 87 086 044 831

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	2017 \$	2016 \$
NOTE 12—AUDITOR'S REMUNERATION		
Fees received and/or receivable for:		
Audit fees	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
The Auditor received no other benefits.		
NOTE 13—KEY MANAGEMENT PERSONNEL COMPENSATION		
Total Compensation – Directors fees	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

NOTE 14—ECONOMIC DEPENDENCY

The company usually has one customer and one supplier. However, there was no trading activity for the year ended 31 March 2017.

NOTE 15—FINANCIAL RISK MANAGEMENT

Specific Financial Risk Exposure and Management

Foreign exchange rate risk

The company's exposure to foreign exchange rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in foreign exchange rates on a continuous basis. The company has to pay its future supplier in USD and therefore it maintains a bank account in US dollars. Nevertheless, the cash and cash equivalents are deposited with well reputable bank in Australia.

NOTE 16—COMPANY DETAILS

The registered office and principal place of business of the company is:
Level 8, 76-80 Clarence Street Sydney NSW 2000.

NOTE 17—EVENTS AFTER THE REPORTING PERIOD

The company passed a resolution on 11 May 2017 to issue 50,000 additional shares at \$1.00 each for a total cash subscription of \$50,000 to Excel Crop Care Limited in India, the parent entity.

The directors have received in writing an undertaking by the holding company Excel Crop Care Limited in India that it will subscribe for the total amount of \$50,000.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EXCEL CROP CARE (AUSTRALIA) PTY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 22nd day of May, 2017.
Level 8, 80 Clarence Street, Sydney NSW 2000

P. N. MARKOULLI,
Registered Company Auditor: 159374.

Liability limited by a scheme approved under Professional Standards Legislation



Excel Crop Care Limited

Beyond crop protection. Behind every farmer

www.excelcropcare.com

Registered Office:

Excel Crop Care Limited

184/87, S.V. Road, Jogeshwari (West),
Mumbai - 400 102. Tel.: 91 22 66464200

Corporate Office:

Excel Crop Care Limited

13/14 Aradhana Industrial Devp. Corp.,
Near Virwani Industrial Estate, Goregaon (East),
Mumbai - 400 063. Tel.: 91 22 42522200