



Excel Crop Care Limited
Beyond crop protection. Behind every farmer

ANNUAL REPORT 2017-18

Subsidiaries of Excel Crop Care Limited

**EXCEL CROP CARE LIMITED
SUBSIDIARY COMPANIES
2017-18**

C O N T E N T S

EXCEL CROP CARE (AFRICA) LIMITED	01-18
EXCEL CROP CARE (EUROPE) LLC	19-27
EXCEL CROP CARE (AUSTRALIA) PTY LIMITED	28-42

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 2018, which disclose the state of affairs of the Company as at 31st March 2018 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

The list of Directors who served the Company during the financial year ended 31st March 2018 was the following:-

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

Name of the Director	Position	Nationality	Appointment (w.e.f.)
Mr. Mukul Chandra Asher	Non-Executive	Indian	15th June 2010
Mr. Ravi Sursinh Bhatia	Non-Executive	Indian	15th June 2010
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

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.

4. SHAREHOLDERS

The shareholders of the Company as at 31st March 2018 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 2018 and the appropriation thereof are as set out on page no. 8-21.

The sales turnover of the Company during the year ended 31st March, 2018 is lower than the turnover in the previous year. This is owing to the change in the Company's business model. In the course of the financial year the Company changed from 'Trading' to 'Commission agency' business mode for some businesses. This resulted in lower turnover; however the Company earned commission on such businesses which is reflected in its revenue under the head 'commission received'. The change in business model has resulted in lower credit risks, lower bank charges and lower requirement for working capital. But at the same time its profits are not negatively impacted but have gone up during the year. The profit before Tax during the year ended 31st March, 2018 are higher at TZS 276,717,204 as compared to TZS in the previous financial year.

EXCEL CROP CARE (AFRICA) LIMITED

6. DIVIDEND

The Directors of your Company are please to declare a dividend of 50% (Tzs 50000 per share) subject to approval of shareholders.

7. SOLVENCY

The state of affairs of the Company as at 31st March 2018 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

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 2018 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.

EXCEL CROP CARE (AFRICA) LIMITED

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 2018-19 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 18.05.2018 and signed on its behalf by.

Chetan S. Shah
Director

Ninad D. Gupte
Director

Ravi S. Bhatia
Director

18th May, 2018

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, Sibtain Hashim being the Accountant of Excel Crop Care (Africa) Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31st March 2018 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: Sibtain Hashim
Position: Accountant
NBAA Membership No. ACPA 3245
Date: 23rd May, 2018

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 2018, 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 2018 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.

Partners:

K. S. Bhattbhatt (Tanzanian)
Kailas K. Bhattbhatt (Tanzanian)
Vishwanshu H. Trivedi (Indian)

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,

Vishwanshu H. Trivedi
Partner

*Place : Dar es Salaam
Dated : 24th May 2018*

EXCEL CROP CARE (AFRICA) LIMITED

STATEMENT OF FINANCIAL POSITION AS ON 31st MARCH, 2018

Particulars	NOTE	31st March, 2018 Tzs	31st March, 2017 Tzs
Non-current assets			
Property, plant & equipment	20	1,573,563	2,517,700
Deferred tax assets	13	—	5,174,412
		<u>1,573,563</u>	<u>7,692,112</u>
Current assets			
Inventories		703,589,524	—
Trade and other receivables	14	1,304,849,213	3,411,026,220
Cash and cash equivalents	15	803,333,035	1,694,640,520
Current tax	19	736,376,957	723,466,386
		<u>3,548,148,729</u>	<u>5,829,133,126</u>
Total assets		<u>3,549,722,292</u>	<u>5,836,825,238</u>
Equity			
Share capital	16	170,000,000	170,000,000
Retained earnings		1,417,657,054	1,173,803,128
		<u>1,587,657,054</u>	<u>1,343,803,128</u>
Non-current liabilities			
Deferred tax liabilities	13	29,467,080	—
		<u>29,467,080</u>	<u>—</u>
Current liabilities			
Trade and other payables	17	1,873,268,258	4,417,125,518
Provisions	18	59,329,900	75,896,592
		<u>1,932,598,158</u>	<u>4,493,022,110</u>
Total equity and liabilities		<u>3,549,722,292</u>	<u>5,836,825,238</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 to 7.

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

18th May, 2018

Chetan S. Shah
Director

Ninad D. Gupte
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 2018

Particulars	NOTE	2017-18 Tzs	2016-17 Tzs
Revenue	6	5,583,646,589	13,865,372,532
Cost of sales	7	(4,561,077,779)	(12,933,585,041)
Gross profit		1,022,568,810	931,787,491
Other income	8	—	13,541,631
		1,022,568,810	945,329,122
Less: Expenses			
Staff costs	9	(329,085,006)	(235,314,404)
Administrative Expenses	10	(221,119,905)	(182,313,819)
Selling and distribution expenses	11	(72,059,783)	(295,620,015)
Financial expenses	12	(15,512,793)	(124,006,765)
		(637,777,487)	(837,255,003)
Profit/(Loss) before tax		384,791,323	108,074,119
Less: Tax expense/credit	13	(115,437,397)	(32,422,236)
Profit/(Loss) after tax		269,353,926	75,651,883
Other comprehensive income/(loss)			
Bad debt recovered		—	43,628,000
Total comprehensive income/(loss)		269,353,926	119,279,883

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EXCEL CROP CARE (AFRICA) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

Particulars	Share Capital Tzs	Retained Earnings Tzs	Total Tzs
<u>Year ended 31st March 2017</u>			
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 adjustments	—	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
<u>Year ended 31st March 2018</u>			
As at start of the year	170,000,000	1,173,803,128	1,343,803,128
Dividend paid	—	(25,500,000)	(25,500,000)
Prior year adjustment	—	—	—
	170,000,000	1,148,303,128	1,318,303,128
Net profit/(loss)	—	269,353,926	269,353,926
At the end of the year	170,000,000	1,417,657,054	1,587,657,054

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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EXCEL CROP CARE (AFRICA) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

	2017-18 Tzs	2016-17 Tzs
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	384,791,323	108,074,119
Adjustments for:		
Depreciation and amortisation	944,137	1,510,620
Bad debt recovered	—	43,628,000
Prior period adjustment	—	55,473,660
Unrealised forex exchange (gain)/loss	(98,223,599)	17,248,040
	287,511,861	225,934,439
Movements in working capital:		
(Increase)/decrease in inventories	(703,589,524)	—
(Increase)/decrease in trade and other receivables	2,218,580,281	(323,901,987)
Increase/(decrease) in trade and other payables	(2,571,112,366)	1,339,408,380
Cash generated from operations	(768,609,748)	1,241,440,832
Less: Taxes paid	(93,706,476)	(772,647,811)
Net cash generated by operating activities (A)	(862,316,224)	468,793,021
Cash flow from financing activities		
Dividend paid	(25,500,000)	(85,000,000)
Net cash (used in)/generated by financing activities (C)	(25,500,000)	(85,000,000)
Net increase in cash and cash equivalents (A+B+C)	(887,816,224)	383,793,021
Cash and Cash equivalent at the beginning of the year	1,694,640,520	1,310,360,799
Effect of exchange rate changes on the cash and cash equivalents held in foreign currencies	(3,491,261)	486,700
Cash and Cash equivalent at the end of the year	803,333,035	1,694,640,520

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

18th May, 2018

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EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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 2017

The following standards, amendments and new interpretations issued by the IFRIC are mandatory for the accounting periods beginning on or after 1st January 2017:

- Amendment to IFRS 12 – Disclosure of Interests in Other Entities (effective from 1st January 2017) (Part of Annual Improvements to IFRSs 2014 -2016 Cycle)
- Amendments to IAS 7 – Disclosure Initiative (effective from 1st January 2017)
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses (effective from 1st January 2017)

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 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.

- Amendments to IFRS 1 – First-time Adoption of International Financial Reporting Standards (effective from 1st January 2018) (Part of Annual Improvements to IFRSs 2014 -2016 Cycle)
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions (effective from 1st January 2018)
- Amendments to IFRS 4 – Insurance Contracts (effective from 1st January 2018)
- IFRS 9 – Financial Instruments (effective from 1st January 2018)
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective period to be determined)
- IFRS 15 – Revenue from Contracts with Customers (effective from 1st January 2018)
- IFRS 16 – Leases (effective from 1st January 2019)
- Amendments to IAS 28 – Investments in Associates and Joint Ventures (effective from 1st January 2018) (Part of Annual Improvements to IFRSs 2014 -2016 Cycle)
- Amendments to IAS 40 – Transfer of Investment Property (effective from 1st January 2018)
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration (effective from 1st January 2018)

EXCEL CROP CARE (AFRICA) LIMITED

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

(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 payables

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.

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

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 utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

E. REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Where the contract outcome cannot be measured reliably, revenue is recognized 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 2018

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 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 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 2018

	<u>2017-18</u> Tzs	<u>2016-17</u> Tzs
6. REVENUE		
Sale of agricultural chemicals	5,087,005,452	13,865,372,532
Commission received	496,641,137	—
Total	<u><u>5,583,646,589</u></u>	<u><u>13,865,372,532</u></u>
7. COST OF SALES		
Add: Purchases	5,170,661,087	12,922,539,335
Less: Closing stock	(703,589,524)	—
	<u>4,467,071,563</u>	<u>12,922,539,335</u>
ADD: DIRECT COSTS		
Clearing and forwarding charges	75,862,280	11,045,706
Testing and sample expenses	18,143,936	—
Total cost of sales	<u><u>4,561,077,779</u></u>	<u><u>12,933,585,041</u></u>
8. OTHER INCOME		
Miscellaneous income	—	13,541,631
Total	<u><u>—</u></u>	<u><u>13,541,631</u></u>
9. STAFF COST		
Salary & Wages	279,817,146	192,393,333
Staff insurance	3,044,583	3,187,471
Other Allowance	8,996,000	8,896,000
NSSF / PPF contribution	24,132,669	18,936,000
Staff LTA	10,120,500	10,008,000
Workmen compensation fund	2,974,108	1,893,600
Total	<u><u>329,085,006</u></u>	<u><u>235,314,404</u></u>
10. ADMINISTRATIVE EXPENSES		
Audit fees	16,888,410	21,469,864
Depreciation	944,137	1,510,620
Electricity expenses	513,000	—
Entertainment expenses	—	720,175
Fuel and vehicle expenses	5,317,273	2,347,100
Motor vehicle insurance expenses	602,154	613,305
Service & maintenance charges on rent	4,836,240	4,761,720
Rent	35,279,244	39,370,728
Postage, courier, internet and telephone expenses	8,080,905	11,570,067
Professional and legal fees	19,016,458	23,194,984
Registration and license expenses	105,310,802	4,536,650
Repairs and maintenance - Indirect	4,809,660	2,410,600
Printing and stationery expenses	1,043,900	1,722,228
News paper and periodicals	399,000	381,000
Transportation and travelling expenses	18,078,722	67,704,778
Total	<u><u>221,119,905</u></u>	<u><u>182,313,819</u></u>

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	2017-18 Tzs	2016-17 Tzs	
11. SELLING AND DISTRIBUTION EXPENSES			
City service levy charges	14,623,498	41,596,117	
Promotion expenses	22,084,335	248,858,898	
Marketing expenses	35,351,950	5,165,000	
Total	72,059,783	295,620,015	
12. FINANCIAL EXPENSES			
Bank charges	45,544,744	92,763,095	
Other finance cost	—	410,000	
Foreign exchange loss & (gain) - realised	68,191,648	13,585,630	
Foreign exchange loss & (gain) - unrealised	(98,223,599)	17,248,040	
Total	15,512,793	124,006,765	
13. TAX EXPENSES			
Current tax	80,795,905	39,061,916	
Deferred tax	34,641,492	(6,639,680)	
Total	115,437,397	32,422,236	
Reconciliation of tax expenses:			
Net profit as per statement of profit or loss	384,791,323	108,074,119	
Tax @ 30% (2017: 30%)	115,437,397	32,422,236	
Tax expenses / (credit) as per books	115,437,397	32,422,236	
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>			
Property, plant and equipment			
Unrealised foreign exchange loss	—	29,467,080	29,467,080
	—	29,467,080	29,467,080
<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)	(5,174,412)	34,641,492	29,467,080
14. TRADE AND OTHER RECEIVABLES			
Advance to suppliers	14,824,360	—	
Prepaid expenses	836,229	1,457,898	
Trade debtors	1,289,188,624	3,409,568,322	
Total	1,304,849,213	3,411,026,220	

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

	2017-18 Tzs	2016-17 Tzs
15. CASH AND CASH EQUIVALENTS		
Cash in hand	15	4,864,189
Cash at banks	803,333,020	1,689,776,331
	803,333,035	1,694,640,520
16. SHARE CAPITAL		
Authorised capital		
10,000 shares of Tzs 100,000/- each	1,000,000,000	1,000,000,000
Issued and paid-up share capital		
1,700 shares of Tzs 100,000/- each	170,000,000	170,000,000
	170,000,000	170,000,000
17. TRADE AND OTHER PAYABLES		
Trade creditors	257,837,757	9,826,091
Advance from customers	8,001,000	—
Due to associate companies and related parties	1,606,430,945	4,406,122,931
Withholding tax payable	998,556	1,176,496
	1,873,268,258	4,417,125,518
18. PROVISIONS		
Audit fees payable	18,297,864	18,094,464
Professional fees payable	5,860,894	8,497,904
Provision for expenses	35,171,142	49,304,224
	59,329,900	75,896,592
19. CURRENT TAX		
Balance b/d	(723,466,386)	21,993,920
Tax paid for earlier years	—	(21,993,920)
Tax paid for the year 2012-13	—	(12,192,411)
Provision for tax current year tax	80,795,905	39,379,916
Advance tax paid	(93,706,476)	(33,178,200)
Tax recoverable adjusted	—	(717,475,691)
	(736,376,957)	(723,466,386)

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Particulars	Motor vehicles Class I Tzs	Total Tzs
20. PROPERTY, PLANT & EQUIPMENT		
Cost		
Balances at 1st April 2016	24,000,000	24,000,000
Balances at 31st March 2017	24,000,000	24,000,000
Balances at 1st April 2017	24,000,000	24,000,000
Balances at 31st March 2018	24,000,000	24,000,000
Accumulated depreciation		
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
Balances at 1st April 2017	21,482,300	21,482,300
Depreciation for the year	944,137	944,137
Balances at 31st March 2018	22,426,437	22,426,437
Carrying value		
Balances at 31st March 2018	1,573,563	1,573,563
Balances at 31st March 2017	2,517,700	2,517,700
21. 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		
Transactions:	2017-18 Tzs	2016-17 Tzs
Purchases		
In Tanzania		
1) Excel Crop Care Limited (India)	4,764,302,633	12,687,722,896
Expenses paid on behalf of Related Party In Tanzania		
1) Excel Crop Care Limited (India)	6,587,132	—
Commission received from Related Party		
In Tanzania		
1) Excel Crop Care Limited (India)	496,641,137	—
Outstanding balances:	31st March 2018 Tzs	31st March 2017 Tzs
Due to related parties		
Excel Crop Care Limited (India)	1,606,430,945	4,406,122,931

EXCEL CROP CARE (AFRICA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

22. CONTINGENT LIABILITIES AND COMMITMENTS

The management does not anticipate any contingent liabilities as at 31st March 2018.

23. Previous year's figure have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

	2017-18	2016-17
	Tzs	Tzs
COMPUTATION OF TAXABLE INCOME		
Profit / (Loss) as per statement of profit or loss	384,791,323	108,074,119
Add:		
Depreciation and amortisation	944,137	1,510,620
Unrealised forex loss - current year	—	17,248,040
Unrealised forex gain - previous year	—	5,944,227
	385,735,460	132,777,006
Less:		
Wear and tear allowance	944,137	1,510,620
Unrealised forex gain - current year	98,223,599	—
Unrealised forex loss - previous year	17,248,040	—
Taxable income / (loss)	269,319,684	131,266,386
Taxable income for the year	269,319,684	131,266,386
Tax on income @ 30%	80,795,905	39,379,916
Less:		
Tax recoverable adjusted	—	(717,475,691)
Tax paid for the year 2012-13	—	(12,192,411)
Advance tax paid	(93,706,476)	(33,178,200)
Balance current tax payable / (refundable)	(12,910,571)	(723,466,386)

WEAR AND TEAR SCHEDULE

Particulars	Class I	Total
Method of Depreciation	WDV	
Rate	37.50%	
Opening balance at 1st April 2017	2,517,700	2,517,700
	2,517,700	2,517,700
Wear and tear	944,137	944,137
Closing balance 31st March 2018	1,573,563	1,573,563

EXCEL CROP CARE (EUROPE) LLC

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 2018 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 decreased from EUR 2.044.587,76 to EUR 1.522.050,55.

The net assets have decreased from EUR 1.526.025,85 to EUR 1.484.614,07 for the closed financial year.

The debts have decreased from EUR 521.861,91 to EUR 40.736,48.

1.2. Income statement

• Operating income	EUR	2.543.761,25
• Operating charges (-)	EUR	2.575.041,79

The turnover of this year has decreased from EUR 3.030.561,43 to EUR 2.543.761,25 as opposed to the previous financial year.

The operating charges have also decreased from EUR 3.091.936,24 to EUR 2.575.041,79 as opposed to the previous financial year.

The financial income has decreased from EUR 26.224,85 to EUR 3.390,95. The financial charges have increased from EUR 9.783,71 to EUR 13.522,19, so the final loss of the financial year amounts to EUR 41.411,78.

1.3. Appropriation of the result

We propose the following appropriation to you:

• Loss of the financial year to be appropriated	EUR	(41.411,78)
• Profit carried forward from the previous financial year	EUR	<u>1.456.725,85</u>
• Profit to appropriate	EUR	1.415.314,07
• Profit to carry forward	EUR	1.415.314,07

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 1.484.614,07 on March 31st 2018.

EXCEL CROP CARE (EUROPE) LLC

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.

15 May 2018,
The Board of Directors,

Ninad D. Gupte

Tadashi Katayama

MBM Consult SPRL

Chetan Shah

Director

Director

Director

Perm. repr. by M. Preti

Director

EXCEL CROP CARE (EUROPE) LLC

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF EXCEL CROP CARE (EUROPE) N.V. FOR THE YEAR ENDED MARCH 31, 2018

In the context of the statutory audit of the annual accounts of EXCEL CROP CARE (EUROPE) N.V., we hereby present our statutory auditor's report. It includes our report on the audit of the annual accounts as well as our report on the other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general meeting of June 29, 2017, following the proposal formulated by the board of directors. Our statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on March 31, 2020. We have performed the statutory audit of the annual accounts of EXCEL CROP CARE (EUROPE) N.V. for 7 consecutive years.

Report on the audit of the annual accounts

Unqualified opinion

We have audited the annual accounts of the Company, which comprise the balance sheet as at March 31, 2018, the profit and loss account for the year then ended and the notes to the annual accounts, characterised by a balance sheet total of € 1.525.350,55 and a profit and loss account showing a loss for the year of € 41.411,78.

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, 2018, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the annual accounts' section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

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.

Responsibilities of the Board of Directors for 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.

In preparing the annual accounts, the board of directors is 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 board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory 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 annual accounts.

EXCEL CROP CARE (EUROPE) LLC

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 disclosures made by the Board of Directors;
- Conclude on the appropriateness of the board of 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 we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts 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 statutory 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 annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of 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 identified during our audit.

Report on the other legal and regulatory requirements

Responsibilities of the Board of Directors

The board of directors is responsible for the preparation and the content of the annual 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.

Responsibilities of the Statutory Auditor

In the context of our mandate and in accordance with the Belgian standard (Revised in 2018) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the annual report of the Board of Directors, and compliance with certain provisions of the Company Code and of the Company's by-laws, as well as to report on these elements.

Aspects related to the annual report of the Board of Directors

In our opinion, the annual report is consistent with the annual accounts for the same financial year, and it is prepared in accordance with articles 95 and 96 of the Company Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the annual report contains any material misstatement, i.e. any information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

We do not express any form of assurance whatsoever on the management report.

EXCEL CROP CARE (EUROPE) LLC

Statement related to independence

- Our audit firm did not provide services which are incompatible with the statutory audit of annual accounts, and we remained independent of the Company during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit of annual accounts as referred to in article 134 of the Company Code were duly itemised and valued in the notes to the annual accounts.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- Notwithstanding the losses of the last two financial years which influence the financial position of the Company, the annual accounts are issued in the assumption of continuity of the Company's activities. This assumption is only justified to the extent that the Company can rely on the financial support of her shareholders and/or the parent company or other funding sources. We draw your attention to the Director's report wherein the Board justifies the application of valuation rules in the assumption of continuity.
- The appropriation of results proposed to the general meeting complies with the legal provisions 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 24, 2018

Mertens, Dewaele, Achten & co
Certified Public Accountants BV ufo BVBA
Represented by Dirk Achten

EXCEL CROP CARE (EUROPE) LLC

BALANCE SHEET AS AT 31ST MARCH, 2018

BALANCE SHEET AFTER APPROPRIATION	2018	2017
	€	€
ASSETS		
Formation expenses	—	—
FIXED ASSETS	3,300.00	3,300.00
Intangible assets	—	—
Tangible assets	—	—
Land and buildings	—	—
Plant, machinery and equipment	—	—
Furniture and vehicles	—	—
Leasing and other similar rights	—	—
Other tangible assets	—	—
Assets under construction and advance payments	—	—
Financial assets	3,300.00	3,300.00
Affiliated enterprises	—	—
Participating interests	—	—
Amounts receivable	—	—
Other enterprises linked by participating interests	—	—
Participating interests	—	—
Amounts receivable	—	—
Other financial assets	3,300.00	3,300.00
Shares	—	—
Amounts receivable and cash guarantees	3,300.00	3,300.00
CURRENT ASSETS	1,522,050.55	2,044,587.76
Amounts receivable after more than one year	—	—
Trade debtors	—	—
Other amounts receivable	—	—
Stocks and contracts in progress	347,600.00	353,100.00
Stocks	347,600.00	353,100.00
Raw materials and consumables	—	—
Work in progress	—	—
Finished goods	—	—
Goods purchased for resale	347,600.00	353,100.00
Immovable property acquired or constructed for resale	—	—
Advance payments	—	—
Contracts in progress	—	—
Amounts receivables within one year	410,765.50	962,361.30
Trade debtors	403,906.25	825,552.75
Other amounts receivables	6,859.25	136,808.55
Current investments	—	—
Own shares	—	—
Other investments and deposits	—	—
Cash at bank and in hand	760,028.85	725,470.46
Deferred charges and accrued income	3,656.20	3,656.00
TOTAL ASSETS	1,525,350.55	2,047,887.76

EXCEL CROP CARE (EUROPE) LLC

BALANCE SHEET AS AT 31ST MARCH, 2018 (Cont'd.)

BALANCE SHEET AFTER APPROPRIATION	2018	2017
	€	€
LIABILITIES		
Capital and reserves	1,484,614.07	1,526,025.85
Capital	63,000.00	63,000.00
Issued capital	63,000.00	63,000.00
Uncalled capital	—	—
Shares premium account	—	—
Revaluation surplus	—	—
Reserves	6,300.00	6,300.00
Legal reserve	6,300.00	6,300.00
Reserves not available	—	—
In respect of own shares held	—	—
Other	—	—
Untaxed reserves	—	—
Available reserves	—	—
Profit (loss) carried forward (+)/(-)	1,415,314.07	1,456,725.85
Investments grants	—	—
Advance on the distribution of net assets to associates	—	—
PROVISIONS AND DEFERRED TAXATIONS	—	—
Provisions for liabilities and charges	—	—
Pensions and similar obligations	—	—
Taxation	—	—
Major repairs and maintenance	—	—
Other liabilities and charges	—	—
Deferred taxation	—	—
Creditors	40,736.48	521,861.91
Amounts payable after one year	—	—
Financial debts	—	—
Subordinated loans	—	—
Unsubordinated debentures	—	—
Leasing and other similar obligations	—	—
Credit institutions	—	—
Other loans	—	—
Trade debts	—	—
Suppliers	—	—
Bills of exchange payable	—	—
Advances received on contracts in progress	—	—
Other amounts payable	—	—
Amounts payable within one year	31,736.48	512,861.91
Current portion of amounts payable after more than one year	—	—
Financial debts	—	—
Credit institutions	—	—
Other loans	—	—
Trade debts	31,736.48	328,861.91
Suppliers	31,736.48	328,861.91
Bills of exchange payable	—	—
Advances received on contracts in progress	—	184,000.00
Taxes, remuneration and social security costs	—	—
Taxes	—	—
Remuneration and social security	—	—
Other amounts payable	—	—
Accrued charges and deferred income	9,000.00	9,000.00
TOTAL LIABILITIES	1,525,350.55	2,047,887.76

EXCEL CROP CARE (EUROPE) LLC

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	2018 €	2017 €
INCOME STATEMENT		
Operating income	2,543,761.25	3,042,511.26
Turnover	2,543,761.25	3,030,561.43
Stocks of finished goods, work and contracts in progress	—	—
Own construction capitalised	—	—
Other operating income	—	11,949.83
Non-recurring operating income	—	—
Operating charges	2,575,041.79	3,091,936.24
Intermediate consumption	2,573,750.86	3,091,068.24
Raw materials, consumables	2,386,600.00	2,831,820.50
Purchases	2,381,100.00	2,718,788.00
Stocks: decrease (increase) (+)/(-)	5,500.00	113,032.50
Services and other goods	187,150.86	259,247.74
Gross Margin	-29,989.61	-48,556.98
Remuneration, social security costs and pensions (+)/(-)	—	—
Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	—	—
Amounts written off stocks, contracts in progress and trade debtors: increase (decrease) (+)/(-)	—	—
Provisions for liabilities and charges: increase (decrease) (+)/(-)	—	—
Other operating charges	1,290.93	868.00
Operating charges capitalised as reorganization costs (-)	—	—
Operating profit (loss) (+)/(-)	-31,280.54	-49,424.98
Financial income	3,390.95	26,224.85
Income from financial fixed assets	—	—
Income from current assets	—	—
Other financial income	3,390.95	26,224.85
Financial charges	13,522.19	9,783.71
Interest and other debt charges	—	50.00
Amounts written off current assets other than stocks, work in progress and amounts receivable: increase (decrease) (+)/(-)	—	—
Other financial charges	13,522.19	9,733.71
Profit (loss) on ordinary activities before taxes (+)/(-)	-41,411.78	-32,983.84
Extraordinary income	—	—
Adjustments to depreciation of and to amounts written off intangible and tangible fixed assets	—	—
Adjustments to amounts written off financial fixed assets	—	—
Adjustments to provisions for extraordinary liabilities and charges	—	—
Gain on disposal of fixed assets	—	—
Other extraordinary income	—	—

EXCEL CROP CARE (EUROPE) LLC

INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Cont'd.)

	2018 €	2017 €
Extraordinary charges	—	—
Extraordinary depreciation of and extraordinary amounts written off formation expenses, intangible and tangible fixed assets	—	—
Amounts written off financial fixed assets	—	—
Provision for extraordinary liabilities and charges	—	—
Loss on disposal of fixes assets	—	—
Other extraordinary charges	—	—
Extraordinary charges capitalised as reorganization costs (-)	—	—
Profit/loss for the period before taxes (+)/(-)	-41,411.78	-32,983.84
Transfer from deferred taxation	—	—
Transfer to deferred taxation	—	—
Income taxes (+)/(-)	—	—
Income taxes	—	—
Adjustments of income taxes and write back of tax provisions	—	—
Profit (Loss) for the period (+)/(-)	-41,411.78	-32,983.84
Transfer from untaxed reserves	—	—
Transfer to untaxed reserves	—	—
Profit (Loss) for the period available for appropriation (+)/(-)	-41,411.78	-32,983.84
APPROPRIATION ACCOUNT		
Profit (Loss) to be appropriated (+)/(-)	1,415,314.07	1,456,725.85
Profit (Loss) for the period available for appropriation (+)/(-)	-41,411.78	-32,983.84
Profit (Loss) brought forward (+)/(-)	1,456,725.85	1,489,709.69
Transfers from capital and reserves	—	—
From capital and share premium account	—	—
From reserves	—	—
Transfers to capital and reserves	—	—
To capital and share premium account	—	—
To the legal reserve	—	—
To other reserves	—	—
Profit (Loss) to be carried forward (+)/(-)	1,415,314.07	1,456,725.85
Deferred profit	1,415,314.07	1,456,725.85
Loss to be carried	—	—
Shareholders contribution in respect of losses	—	—
Distribution of profit	—	—
Dividends	—	—
Directors' emoluments	—	—
Employees	—	—
Other allocations	—	—

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 2018.

Directors

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

Rodney C Grosvenor	Chetan S Shah
Ninad D Gupte	Tadashi Katayama

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 \$37,082. (2017: loss of \$36,930)

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

On 2nd November 2017, the parent's board (Excel Crop Care Limited in India) has passed a resolution to wind-up Excel Crop Care (Australia) Pty Ltd.

With reference to that the process of winding-up to start at the earliest depending on clearing of some of the other legal formalities. Accordingly the notification of commencement of winding-up the Company will be lodged with ASIC in due course of time.

At the date of this financial report, no steps have yet taken place to wind-up the Company.

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

Besides the intention of the company to be wound up, 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
ABN 87 086 044 831

Future Development

Apart from the proposed winding-up of the company there are no developments of which the directors are aware which could be expected to affect the results of the company's operations in subsequent period other than information which the directors believe comment on or disclosure of, would prejudice the interests of 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 s 307C of the Corporations Act 2001 is set out on page 42 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 22nd day of May, 2018

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 2018, 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 2018, 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.

Emphasis of Matter – Reporting Basis

I draw attention to Note I in the financial report, which indicates that the financial statements were not prepared on a going concern basis but on the basis that the Company will be commencing winding-up proceeding to wind-up the Company. My opinion is not modified in respect of this matter.

Emphasis of Matter – Going Concern

I draw attention to Note I(k) in the financial report, which indicates that the Company will be commencing winding-up proceedings as stated in Note 1(k), the Directors of the Company believe that the Company has sufficient funds to cover all its liabilities and winding up cost and the parent Company will provide any further support if needed. 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

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
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assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 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 2018 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 hyperlinked 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, 2018
GPO Box 2848, Sydney NSW 2001

Liability limited by a scheme approved under Professional Standards Legislation

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

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 2018 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 until the company is wound up.

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

NINAD D. GUPTA
Director

RODNEY C. GROSVENOR
Director

Dated this 22nd day of May, 2018

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, 2018

	NOTE	2018 \$	2017 \$
Revenue	2	7	27
Cost of Sales	3	—	—
Gross Profit		<u>7</u>	<u>27</u>
Foreign Exchange gain/(loss)		(89)	9
Other Expenses		(37,000)	(36,966)
Profit/(Loss) before Income Tax		(37,082)	(36,930)
Income Tax (expense)/revenue	4	—	—
Profit/(Loss) for the year		<u>(37,082)</u>	<u>(36,930)</u>
Other comprehensive income		—	—
Total comprehensive income for the year		—	—
Total comprehensive income/(expense) attributable to the member		<u>(37,082)</u>	<u>(36,930)</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH, 2018

	NOTE	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	29,062	16,143
Other current assets	6	1,165	1,166
TOTAL CURRENT ASSETS		<u>30,227</u>	<u>17,309</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>31,362</u>	<u>18,444</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	12,815	12,815
TOTAL CURRENT LIABILITIES		<u>12,815</u>	<u>12,815</u>
TOTAL LIABILITIES		<u>12,815</u>	<u>12,815</u>
NET ASSETS		<u>18,547</u>	<u>5,629</u>
EQUITY			
Issued capital	9	175,000	125,000
Retained earnings		(156,453)	(119,371)
TOTAL EQUITY		<u>18,547</u>	<u>5,629</u>

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2018

	NOTE	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from non-trading sources		7	27
Payments to service providers		(37,000)	(37,287)
Exchange gain/(loss)		(89)	9
GST (paid)/received		1	(1)
Net cash provided by operating activities	10	<u>(37,081)</u>	<u>(37,252)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		50,000	—
Net cash provided by financing activities		<u>50,000</u>	<u>—</u>
Net (decrease)/increase in cash & cash equivalents		<u>12,919</u>	<u>(37,252)</u>
Cash and cash equivalents at beginning of financial year		<u>16,143</u>	<u>53,395</u>
Cash and cash equivalents at end of financial year	5	<u><u>29,062</u></u>	<u><u>16,143</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

	NOTE	Share Capital Ordinary Shares \$	Retained Earnings (Accumulated Losses) \$	Total \$
EQUITY				
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		<u>125,000</u>	<u>(119,371)</u>	<u>5,629</u>
Balance as at 1 April 2017		125,000	(119,371)	5,629
Total comprehensive income for the year		—	(37,082)	(37,082)
Contributions of equity		50,000	—	50,000
Balance as at 31 March 2018	9	<u><u>175,000</u></u>	<u><u>(156,453)</u></u>	<u><u>18,547</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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.

Wind-up basis of preparation

On 2nd November 2017, the parent's board (Excel Crop Care Limited in India) has passed a resolution to wind-up Excel Crop Care (Australia) Pty Ltd.

Accordingly the financial statements have not been prepared on a going concern basis. The directors have applied the requirements of paragraph 25 of AASB 101 Presentation of Financial Statements which states that "When the financial report is not prepared on a going concern basis, that fact shall be disclosed together with the basis on which the financial report is prepared and the reason why the entity is not regarded as a going concern."

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 realisation and settlement of the respective asset and liability will occur.

Deferred tax

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.

EXCEL CROP CARE (AUSTRALIA) PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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

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.

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 rate 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

ABN 87 086 044 831

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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 below:

Standard name	Impact
AASB 1053: 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 2017-1 Part C issued in June 2017 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2017. 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, 2018

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
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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 2017-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2017)	1 January 2019	AASB 2017-7 incorporates the consequential amendments arising from the issuance of AASB 9	AASB 2017-7 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.

k. Going Concern

The directors of the Company do not regard the Company as a going concern. The parent's board (Excel Crop Care Limited in India) has passed a resolution to wind-up Excel Crop Care (Australia) Pty Ltd. As a consequence, the financial report for the year ended 31 March 2018 is not prepared on a going concern basis.

As a result of the above the financial statements have been prepared on wind-up basis. Under the wind-up basis, adjustments are made to ensure that the assets and liabilities of the Company are being carried at their estimated realisable values. The company has sufficient funds to cover all its liabilities including winding up costs and Excel Crop Care Limited India will provide financial support if the Company could not meet its obligations.

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 22 May 2018 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, 2018

	2018 \$	2017 \$
NOTE 2 — REVENUE AND OTHER INCOME		
Sales revenue:		
— Sale of Goods	—	—
Other income	7	27
Total revenue	<u>7</u>	<u>27</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)	(89)	(9)
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	(37,083)	(36,930)
Income tax expense calculated at 30%	11,125	11,079
Reversal of total deferred tax assets	(11,125)	(11,079)
Income tax expense attributable to profit/(loss) from continuing operations	<u>—</u>	<u>—</u>
NOTE 5 — CASH AND CASH EQUIVALENTS		
Cash at Bank	27,967	11,120
USD Business Foreign Currency Account	1,095	5,024
	<u>29,062</u>	<u>16,144</u>
NOTE 6 — OTHER CURRENT ASSETS		
Current		
GST Receivable	1,165	1,165
	<u>1,165</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, 2018

	2018 \$	2017 \$
NOTE 9— ISSUED CAPITAL		
On 11 September 2017, the Company issued 50,000 new ordinary shares for the total of \$50,000. The stated price of a common share is \$1.		
Fully Paid Ordinary Shares		
Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number shares held. Ordinary shares are entitled to one vote when a poll is called.	<u>175,000</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	(37,082)	(36,930)
Add/(Less) Non cash flows in profit:		
– Unrealised foreign exchange gain/(loss)	—	—
Changes in assets and liabilities		
– (Increase)/Decrease in receivables	1	(1)
– Increase/(Decrease) in payables	—	(321)
Net cash provided by operating activities	<u>(37,081)</u>	<u>(37,252)</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:-

Chetan S Shah

Tadashi Katayama

Rodney C Grosvenor

Ninad D Gupte

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. (2017: \$25,500)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

	2018 \$	2017 \$
NOTE 12— AUDITOR’S REMUNERATION		
Fees received and/or receivable for:		
Audit fees	5,000	5,000
	5,000	5,000
The Auditor received no other benefits.		
NOTE 13— KEY MANAGEMENT PERSONNEL COMPENSATION		
Total Compensation – Directors fees	4,000	4,000
	4,000	4,000

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 2018.

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

Besides the intention of the company to be wound-up, no other matters or circumstances have arisen since the end of period which significantly affected or may significantly affect operation of the Company.

**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 2018 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 2018
GPO Box 2848, SYDNEY NSW 2001

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