

**Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's responsibility**

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

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

**Opinion**

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

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



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



SHARPAR S.A.

Statement of Financial Position  
As at 31st December, 2015

	<u>Notes</u>	<u>31-Dec-15</u> <u>US \$</u>	<u>31-Dec-14</u> <u>US \$</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	5	1,432	1,190
<b>Total Non-current assets</b>		<b>1,432</b>	<b>1,190</b>
<b>Current assets</b>			
Cash and cash equivalents	6	4,474	18,395
Miscellaneous assets	7	43,246	52,308
<b>Total Current assets</b>		<b>47,720</b>	<b>70,703</b>
<b>TOTAL ASSETS</b>		<b>49,153</b>	<b>71,893</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	6,000	6,000
Reserves	9	43,153	35,525
<b>Total Equity</b>		<b>49,153</b>	<b>41,525</b>
<b>Current liabilities</b>			
Trade and other payables	10	-	30,368
<b>Total Current Liabilities</b>		<b>-</b>	<b>30,368</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>49,153</b>	<b>71,893</b>

The accompanying notes 1 to 20 form an integral part of these financial statements.  
The Independent Reviewer's Report is attached herewith.

For SHARPAR S.A.

PRESIDENT

Aynaldo  
Naville

SUBSTITUTE DIRECTOR

  
FVB



SHARPAR S.A.

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

	<u>Notes</u>	<u>01-Jan-15 to 31-Dec-15 US \$</u>	<u>01-Jan-14 to 31-Dec-14 US \$</u>
Revenue		-	-
Cost of sales	11	-	(110,116)
<b>Revenue from operations</b>		<b>-</b>	<b>(110,116)</b>
Other Income	12	27,514	259,942
Selling and distribution expenses	15	(8,246)	(3,552)
Administrative expenses	16	(4,312)	(12,455)
Other expenses	17	(14,951)	(132,776)
<b>Profit/Loss from operations</b>		<b>5</b>	<b>1,042</b>
Finance Income		-	-
Finance Expenses		-	-
Finance costs (net)		-	-
<b>Profit/Loss for the period</b>		<b>5</b>	<b>1,042</b>
<b>Other comprehensive income</b>			
Foreign currency translation difference		7,421	1,883
<b>Total other comprehensive income</b>		<b>7,421</b>	<b>1,883</b>

The accompanying notes 1 to 20 form an integral part of these financial statements.

For SHARPAR S.A.

PRESIDENT

Arnaldo  
Naville

SUBSTITUTE DIRECTOR

RVG



SHARPAR S.A.

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

	<i>Share Capital</i> <u>US \$</u>	<i>Accumulated profits</i> <u>US \$</u>	<i>Revaluation Reserves</i> <u>US \$</u>	<i>Legal Reserves</i> <u>US \$</u>	<i>Total</i> <u>US \$</u>
As at 31st December, 2014	6,000	29,944	4,116	1,466	41,526
Net profit for the period	-	5	-	-	5
Foreign currency translation difference	-	7,421	-	-	7,421
<b>As at 31st December, 2015</b>	<b>6,000</b>	<b>37,370</b>	<b>4,116</b>	<b>1,466</b>	<b>48,952</b>

The shareholders as at 31/12/2015 and its interest as of that date in share capital of the company are as follows:-

Name of the Shareholder	Country of the incorporation	Number of shares	Amount in PYG	Amount in USD
Siddhiviyanak International Limited	United Arab Emirates	27	27,000,000	5,400
Ashish Bubna	Not Applicable	3	3,000,000	600

The accompanying notes 1 to 20 form an integral part of these financial statements.



SHARPAR S.A.

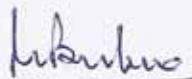
Statement of Cash flows  
for the period ended 31st December, 2015

	01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
<b><u>Cash flows from operating activities</u></b>		
Net profit for the period	5	1,042
Adjustments for:		
Depreciation	435	492
Finance costs	-	-
<b>Operating profit before working capital changes</b>	<b>441</b>	<b>1,534</b>
Changes in inventories	-	110,116
Changes in trade and other receivables	-	36,151
Changes in miscellaneous assets	9,062	(4,377)
Changes in trade and other payables	(30,368)	(133,712)
Changes in miscellaneous liabilities	-	(90)
<b>Net cash (used in) operating activities</b>	<b>(20,865)</b>	<b>9,622</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of fixed assets	(476)	-
<b>Net cash (used in) investing activities</b>	<b>(476)</b>	<b>-</b>
<b><u>Cash flows from financing activities</u></b>		
Finance costs paid	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net changes in cash and cash equivalents</b>	<b>(21,341)</b>	<b>9,622</b>
Cash and cash equivalents at beginning of period	18,395	6,890
Foreign currency translation difference	7,421	1,883
<b>Cash and cash equivalents at the end of the period</b>	<b>4,474</b>	<b>18,395</b>

The accompanying notes 1 to 20 form an integral part of these financial statements.

For SHARPAR S.A.

PRESIDENT  
Arnaldo  
Naville

  
SUBSTITUTE DIRECTOR  
RNB



**1 Legal status**

- a) Sharpar S.A. was incorporated on 30th December, 2004 in Paraguay.
- b) The principal activity of the company is trading of chemicals.

**2 Basis of preparation**

**a) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2015.

**b) Basis of measurement**

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

**c) Functional and presentation currency**

The functional currency of the company is Paraguayan Guarani (PYG). These financial statements are presented in United States Dollar (USD).

**3 Use of estimates and judgment**

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

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

**Judgments made in applying accounting policies**

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

**Impairment**

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

**Key sources of estimation uncertainty and assumptions**

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

**Estimated useful life of fixed assets**

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

**Inventory provisions**

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

**Impairment**

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



#### 4 Adoption of new International Financial Reporting Standards

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

- IAS 24: Related Party Disclosures
- Improvements to IFRS

Their adoption has resulted in presentation and disclosure changes only.

##### Significant accounting policies:

#### a) Depreciation of fixed assets

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

Office furniture and fixtures	10 years
Computer equipment	6 years
Vehicles	5 years
Facilities	10 years

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

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

#### b) Financial instruments

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

##### Financial assets

##### Non derivative financial assets

##### Initial Recognition and Measurement

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

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

##### Subsequent Measurement

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

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

##### Derivative financial instruments:

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

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

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



## Recognition and Measurement

### Derivative Financial Instruments

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

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

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

### Loans and receivables

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

### c) Inventories for trading

Inventories are valued at lower of cost or net realizable value where the cost is determined by using weighted average method.

Cost comprises invoice value plus attributable direct expenses.

Net realizable value is based on estimated selling price less any further costs expected to be incurred for disposal.

### d) Trade and other receivables

Trade receivables are carried at the original invoice amount to the customers.

An estimate is made for doubtful receivables based on a periodic review of all outstanding amounts.

Bad debts are written off when identified.

### e) Foreign currency transactions

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

### f) Impairment

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

### g) Trade and other payables

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

### h) Provisions

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

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

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





**i) Fair values**

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

**j) Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership and the lease payments are charged to the income statement on a straight line basis over the period of lease.

**k) Revenue recognition**

**Sales of goods**

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

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

**The Company as lessee**

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

**l) Borrowing costs**

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

**m) Cash and cash equivalents**

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

**n) Dividend:**

Dividend is paid out of accumulated profits, when declared.



SHARPAR S.A.  
Notes to the Financial Statements  
for the period ended 31st December, 2015

5 Fixed assets	Office furniture and fixtures	Computer equipment	Vehicles	Facilities	Total
	US \$	US \$	US \$	US \$	US \$
<b>Cost</b>					
As at 01.01.2015	3,358	1,676	22,077	580	27,691
Addition during the year	-	476	-	-	476
Revaluation Reserves	100	170	-	17	287
As at 31.12.2015	<b>3,458</b>	<b>2,322</b>	<b>22,077</b>	<b>597</b>	<b>28,454</b>
<b>Depreciation</b>					
As at 01.01.2015	2,316	1,676	22,077	432	26,501
Charge for the period	443	-	-	78	521
As at 31.12.2015	<b>2,759</b>	<b>1,676</b>	<b>22,077</b>	<b>510</b>	<b>27,022</b>
<b>Net book value</b>					
As at 01.01.2015	1,042	-	-	148	1,190
As at 31.12.2015	<b>699</b>	<b>646</b>	<b>-</b>	<b>87</b>	<b>1,432</b>

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



## SHARPAR S.A.

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

	31-Dec-15 <u>US \$</u>	31-Dec-14 <u>US \$</u>
<b>6 Cash and cash equivalents</b>		
Cash in hand	-	592
Balances in bank	4,474	17,803
	<u>4,474</u>	<u>18,395</u>
<b>7 Miscellaneous assets</b>		
VAT receivable	4,807	6,035
Income tax assets	-	5
Tax Credit Fiscal	38,323	46,122
Deposit for rent	116	146
	<u>43,246</u>	<u>52,308</u>
<b>8 Share capital</b>		
<b>Authorised :</b>		
30 Shares of 1,000,000 Paraguayan Guarani	6,000	6,000
<b>Issued and paid up</b>		
30 Shares of 1,000,000 Paraguayan Guarani	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
<b>9 Reserves</b>		
<b>a) Legal Reserves</b>		
Opening balance	1,466	1,466
Add: Transfer during the year	-	-
Closing balance	<u>1,466</u>	<u>1,466</u>
<b>b) Revaluation reserve</b>		
Opening balance	4,116	4,116
Add: Transfer during the year	201	-
Closing balance	<u>4,317</u>	<u>4,116</u>
<b>c) Accumulated profits</b>		
Opening balance	29,944	27,019
Add: Profit for the year	7,426	2,925
Less: Transfer to legal reserves	-	-
Closing balance	<u>37,370</u>	<u>29,944</u>
<b>Total Reserves</b>	<u>43,153</u>	<u>35,525</u>

\* The Legal Reservation is an account of result, this established by Law to fulfil 5 % of the reservation on the usefulness of the exercise. Article Art. 910th. - The societies for actions and those of limited responsibility, they must effect a legal not minor reservation of five per cent of the clear usefulness of the exercise, up to reaching twenty per cent the capital subscribed.

\*\* No provision for legal reservation has been created during the year as the company has fulfilled the minimum requirement for creating the reserve.

\*\*\* Revaluation Reserve has been created on revaluation of fixed assets as per the approval of the Management. Refer schedule 5 for the same.

	31-Dec-15 <u>US \$</u>	31-Dec-14 <u>US \$</u>
<b>10 Trade and other payables</b>		
Trade payables	-	30,368
	<u>-</u>	<u>30,368</u>



## SHARPAR S.A.

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

	01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
11 Cost of sales		
Opening balance	-	110,116
	<u>-</u>	<u>110,116</u>

	01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
12 Other Income		
Other Income	26,756	256,878
Bank interest earned	-	3
Exchange difference	758	3,061
	<u>27,514</u>	<u>259,942</u>

	01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
13 Selling and distribution expenses		
Locomotion costs	17	102
Vehicles cost	-	17
Parcel and Postal fees	-	97
Inland Tours Expenses	211	631
Fuels and Lubricants	1,051	2,644
Other selling expenses	6,967	61
	<u>8,246</u>	<u>3,552</u>

	01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
14 Administrative expenses		
Salaries and benefits	-	4,307
Professional Fees	1,861	1,035
Rent	-	2,548
Communication expenses	928	1,109
Repairs and maintenance expenses	299	1,443
Other administrative expenses	1,224	2,013
	<u>4,312</u>	<u>12,455</u>

	01-Jan-15 to 31-Dec-15 <u>US \$</u>	01-Jan-14 to 31-Dec-14 <u>US \$</u>
15 Other expenses		
Rates and taxes	44	4,189
Depreciation and amortisation expenses	435	492
Registration expenses	11,800	9,979
Misc. expenses	233	3,336
Freight, Estiva and Desestiva	42	7,297
Other expense	2,397	107,483
	<u>14,951</u>	<u>132,776</u>



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

16 Related Party Transactions

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

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

19 Financial instruments: Credit, interest rate, liquidity and exchange rate risk exposures

Credit risk (As per the management)

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of trade and other receivables, due from a related party and bank balances.

The company's bank balances in current accounts are placed with high credit quality financial institutions.

There is no significant concentration of credit risk from trade receivables within Mexico, outside Mexico and outside the industry in which the company operates.

Liquidity risk

The following are the contractual maturities of the company's financial liabilities as of 31st December 2015:

Non-derivative financial liabilities	Jan'15 to Dec'15		
	Carrying	Payable within 12 months	Payable after 12 months
	US \$	US \$	US \$
Trade and other payables: Trade payables	-	-	-

Exchange rate risk

Except for the following assets and liabilities, which is denominated in foreign currencies, there is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in PYG

As at  
31st Dec 2015

Bank balances  
USD

4,474

20 Contingent Liability

There was no contingent liability of a significant amount at the balance sheet date.

For SHARPAR S.A.

PRESIDENT  
Arnaldo  
Naville

SUBSTITUTE DIRECTOR  
RYB

