

# **NAGARJUNA AGRICHEM (AUSTRALIA) PTY LIMITED**

**A.B.N. 51 150 147 685**

## **FINANCIAL REPORT**

**FOR THE PERIOD**

**1ST APRIL 2014 - 31ST MARCH 2015**

## DIRECTORS' REPORT

Your directors present their report on the company for the financial period 1 April 2014 -31 March 2015

### Directors

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

V. Subbusamy (Appointed on 30 March 2011)

J. R. Gantasala (Appointed on 05 May 2011)

G.C. Peroy (Appointed on 30 March 2011)

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

### Review of Operations

The Company has a loss of \$10,076 (2014 a loss of \$4,996).

### Significant Changes in the State of Affairs

Seeing that the period is the company's fourth reporting period since being incorporated, the Company being representative in respect of importation of chemicals into Australia has shown no change in net activity and operations from last year.

### Principal Activities

The principal activity of the company during the financial period was as a representative in respect of the importation chemicals into Australia.

### Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial period which significantly affected 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.

### Likely Developments and Expected Results of Operations

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

### Environmental Regulation

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

### Dividends

No Dividends paid or declared since the start of the financial year.

### Options

No options over issued shares or interests in the company were granted during or since the end of the

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE  
CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the period 1 April 2014 – 31 March 2015 there have been:

- i. no contraventions of the auditor's 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.

Name of Firm T. Borella, Chartered Accountant

Name of Partner Terry Borella

Address Level 13, 167 Macquarie St, Sydney NSW, 2000

Signature



Dated this

31<sup>st</sup>

day of

August

2015

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Financial Report for the Period 1 April 2014 – 31 March 2015

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 1 APR 2014 - 31 MAR 2015

	Note	2015	2014
		\$	\$
Revenue		-	-
Other expenses		(10,077)	(4,996)
<b>Profit (Loss) before income tax</b>		(10,077)	(4,996)
Income tax expense	2	-	-
<b>Profit (Loss) for the Period</b>		<u>(10,077)</u>	<u>(4,996)</u>
<b>Other comprehensive income:</b>			
Net loss on revaluation of land and buildings		-	-
Net gain on revaluation of financial assets		-	-
<b>Other comprehensive income for the period, net of tax</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive Profit(loss) for the period</b>		<u>(10,077)</u>	<u>(4,996)</u>
<b>Profit (Loss) attributable to:</b>			
Members of the parent entity		<u>(10,077)</u>	<u>(4,996)</u>
<b>Total comprehensive income (loss) attributable to:</b>			
Members of the parent entity		<u>(10,077)</u>	<u>(4,996)</u>

The accompanying notes form part of these financial statements.

Nagarjuna Agrichem (Australia) Pty Ltd

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Financial Report for the Period 1 April 2014 – 31 March 2015

STATEMENT OF FINANCIAL POSITION AS AT 31 MAR 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	22	35
Trade and other receivables		-	-
Other current assets	4	15	15
<b>TOTAL CURRENT ASSETS</b>		<b>37</b>	<b>50</b>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	5	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>-</b>	<b>-</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	60	4,946
Borrowings	6	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>60</b>	<b>4,946</b>
<b>TOTAL LIABILITIES</b>		<b>60</b>	<b>4,946</b>
<b>NET ASSETS (DEFICIENCY)</b>		<b>(23)</b>	<b>(4,896)</b>
<b>EQUITY</b>			
Issued capital	7	15,050	100
Reserves		-	-
Retained Earnings, accumulated (loss)		(15,073)	(4,946)
<b>TOTAL EQUITY (DEFICIENCY)</b>		<b>(23)</b>	<b>(4,896)</b>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 APR 2014 – 31 MAR 2015

Note	Issued Capital (Ordinary Shares)	Retained Earnings	Revaluation Surplus	Financial Assets Reserve	General Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 April 2014	100	(4,996)	-	-	-	(4,896)
<b>Comprehensive income</b>						
Profit (Loss) for the year		(10,077)				(10,077)
Other comprehensive income for the year		-				-
<b>Total comprehensive income for the year attributable to members of the entity</b>		<b>(10,077)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,077)</b>
<b>Transactions with owners, in their capacity as owners</b>						
Subscription to Share Capital	14,950	-	-	-	-	14,950
Dividends paid or provided for	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>14,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,950</b>
Balance at 31 Mar 2015	15,050	(15,073)	-	-	-	(23)

The accompanying notes form part of these financial statements.

Nagarjuna Agrichem (Australia) Pty Ltd

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STATEMENT OF CASH FLOWS FOR THE PERIOD 1 APR 2014 – 31 MAR 2015

	Note	2015	2014
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers/Holding Company		-	-
Payments to suppliers and employees		(14,963)	(50)
Dividends received		-	-
Interest received		-	-
Finance costs		-	-
Income tax paid		-	-
Net cash provided by (used in ) operating activities	8	<u>(14,963)</u>	<u>(50)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments		-	-
Payment for property, plant and equipment		-	-
Payment for intangibles		-	-
Loans from related parties – amounts granted		-	85
Net cash used in (provided by) investing activities		<u>-</u>	<u>85</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share capital		14,950	-
Repayment of borrowings		-	-
Dividends paid:		-	-
Net cash provided by (used in) financing activities		<u>14,950</u>	<u>-</u>
Net (decrease) increase in cash held		(13)	35
Cash at beginning of financial period		35	-
Cash at end of financial period	3	<u>22</u>	<u>35</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nagarjuna Agrichem (Australia) Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

**Basis of Preparation**

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. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 31st August 2015 by the directors of the company.

**Accounting Policies**

**a. Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

**b. Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability 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 and 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2015

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) 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.

**c. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**d. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax (GST).

**e. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2015

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## f. New Accounting Standards for Application in Future Periods

The AASB has issued the following Accounting Standard which is mandatorily applicable for future reporting periods and is relevant to the company. The company has decided not to early adopt this Accounting Standard. The company's assessment of this Accounting Standard is set out below:

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the company.

## NOTE 2: INCOME TAX EXPENSE

	2015	2014
	\$	\$
Income tax expense	-	-

## NOTE 3: CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Cash on hand	-	-
Cash at bank	22	35
	<u>22</u>	<u>35</u>
	<u>22</u>	<u>35</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAR 2015

NOTE 4: OTHER CURRENT ASSETS

	2015	2014
	\$	\$
Receivable from holding company	15	15
Prepayments	-	-
Net carrying amount	<u>15</u>	<u>15</u>

NOTE 5: ESTABLISHING EXPENSES

	2015	2014
	\$	\$
Formation Costs	-	-
Net carrying amount	<u>-</u>	<u>-</u>

NOTE 6: TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
CURRENT		
Trade payables	60	4,946
Unsecured loans	-	-
	<u>60</u>	<u>4,946</u>

NOTE 7: BORROWINGS

	2015	2014
	\$	\$
CURRENT		
Amount payable	-	-
	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAR 2015

NOTE 8: ISSUED CAPITAL

	2015	2014
	\$	\$
a. 100 (2011) & 14950 (2015) fully paid ordinary shares	15,050	100

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 8: CASH FLOW INFORMATION

	2015	2014
	\$	\$
<b>Reconciliation of Cash Flow from (used in) Operations with Profit (Loss) after Income Tax</b>		
Profit (Loss) after income tax	(10,077)	(4,996)
Non-cash flows in profit:		
– depreciation	-	-
– write-downs to recoverable amount	-	-
– net gains on disposal of plant and equipment	-	-
– net gains on disposal of investments	-	-
– bad and doubtful debts	-	-
– write-off of obsolete inventory	-	-
– impairment of non-current investments	-	-
Changes in assets and liabilities:		
– Increase in Share Capital	-	-
– Loans with Holding Company	-	-
– Related Party Loans	-	-
– increase in receivables	-	-
– increase in other assets	-	-
– increase in inventories	-	-
– Increase/ (decrease) in payables	(4,886)	4,946
– increase in provisions	-	-
– increase/(decrease) in income tax payable	-	-
– (decrease)/increase in deferred taxes payable	-	-
– (increase)/decrease in deferred taxes receivable	-	-
Net cash provided by(used in) operating activities:	<u>(14,963)</u>	<u>(50)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAR 2015

**NOTE 9 COMPANY DETAILS**

The registered office of the company is:

Level 22  
66 Goulburn Street  
Sydney, NSW 2000

The principal place of business is:

Level 22  
66 Goulburn Street  
Sydney, NSW 2000

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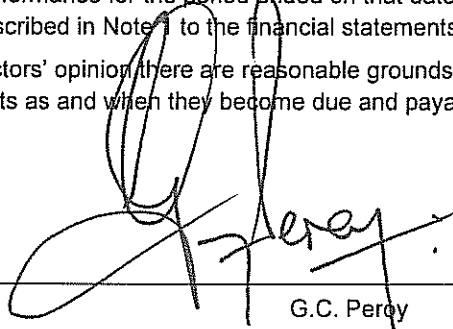
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Nagarjuna Agrichem (Australia) Pty Ltd, the directors have determined that the company is not a reporting entity and that this special purpose financial report 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 on pages page 5 to page 16 in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the company's financial position as at 31 March 2015 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



G.C. Peroy

Dated this

31st

day of

August

, 2015

## INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial report, being a special purpose financial report of Nagarjuna Agrichem (Australia) Pty Ltd, which comprises the statement of financial position as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Nagarjuna Agrichem (Australia) Pty Ltd, would be in the same terms if given to the directors as at the time of the auditor's report.

### *Opinion*

In my opinion the financial report of Nagarjuna Agrichem (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 Mar 2015 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying



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INDEPENDENT AUDITOR'S REPORT

with the *Corporations Regulations 2001*.

*Basis of Accounting*

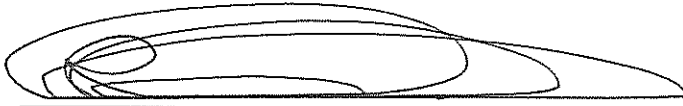
Without modifying my opinion, I draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Name of Firm: T. Borella Chartered Accountant

Name of Partner: Terry Borella

Address: Level 13, 167 Macquarie St, Sydney NSW, 2000

Signature



Dated this

28<sup>th</sup>

day of

August

2015