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COMPANY INFORMATION

Shareholder
M/s United Phosphorus Inc., USA

Directors
Ben Adams
Jimmy Dadrewalla
Bhupendrakumar Vishnuprasad Dubey

Auditors
T R Chadha & Co LLP
Chartered Accountants
502, 5th Floor, Marathon Icon,
Veer Santaji Marg
Off. Ganpatrao Kadam Marg
Lower Parel
Mumbai - 400 013, India

DIRECTOR'S REPORT

The Directors are pleased to present their report together with audited financial statements of the company for the year ended March 31, 2018.

Business review

During the year the company had a turnover of USD 20.95 million as compared to the previous year turnover of USD 16.08 million. The net loss for the year is USD 16.12 million as compared to the previous year net loss of USD 12.83 million.

Events subsequent to the reporting date

There were no major events which occurred since the year end that materially affect the financial position of the company.

Employees

As at the year end, the company has 60 employees as on March 31, 2018 as compared to 52 individual employees as on March 31, 2017.

Auditors

The company's auditors, T R Chadha & Co LLP, now retire and being eligible, offer themselves for re-appointment.

Acknowledgement

The Directors take this opportunity to place on record their gratitude to the various government departments, banks, professionals and business associates for their continued assistance and support extended to the entity.

For Advanta US, LLC (formerly known as Advanta U.S. Inc.)

Ben Adams
Director
Dallas, United States of America
April 15, 2018

T R Chadha & Co LLP
Chartered Accountants
502, Marathon Icon,
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Independent Auditors' Report

To the Stockholder of Advanta US, LLC (formerly known as Advanta U.S. Inc.)

We have audited the accompanying financial statements of **Advanta US, LLC (formerly known as Advanta U.S. Inc.)** (referred to as "the Company") which comprises of Balance sheet as at March 31, 2018 and 2017 and the related statements of operations and comprehensive income, stockholder's equity and cash flows for the years then ended, and related notes to financial statement.

Management's Responsibility for the Financial Statement

Management is the responsible for preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standard generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks 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 entity's preparation and fair presentation of the consolidated 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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, these financial statements referred to above present fairly, in all material respects, the financial position of the Company as at March 31, 2018 and 2017 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

For T R Chadha & Co LLP

T R Chadha & Co LLP
MUMBAI
CHARTERED ACCOUNTANTS

Chartered Accountants
Date: April 15, 2018

Statement of financial position as on March 31, 2018

	Notes	As on Mar 31, 2018	As on Mar 31, 2017
		(Figures in USD)	
ASSETS			
Current assets			
Cash and cash equivalents	3	466,752	1,574,403
Trade receivable net of doubtful debts	4	13,232,585	4,128,565
Trade receivable from related parties	4	13,038,574	10,287,731
Inventory	5	13,920,261	18,858,518
Advance, deposits and prepayments	6	606,381	133,039
Other receivable	7	-	53,905
Deferred tax asset - short term	8	-	3,966,000
		41,264,553	39,002,161
Non current assets			
Property, plant and equipment (net)	9	4,959,420	4,269,866
Intangible assets (Net)	10	8,984,791	13,335,393
Assets held for resale		555,153	555,153
Deferred tax asset - long term	8	-	3,450,000
		14,499,365	21,610,412
TOTAL ASSETS		55,763,917	60,612,573
LIABILTIES AND STOCKHOLDER'S EQUITY (DEFICIT)			
Current liabilities			
Short term borrowings from related parties	11	500,000	25,000,000
Trade payable	12	7,591,234	8,137,207
Accruals	13	2,148,228	768,431
Deferred revenue	14	712,491	1,828,353
Due to related parties	15	12,304,115	8,450,058
		23,256,069	44,184,049
Non current liabilities			
Due to related parties	16	21,119,992	20,619,992
TOTAL LIABILITIES		44,376,061	64,804,041
Stockholders Equity (Deficit)			
Common stock, $ 1 par value, 1,000,000 shares authorized, 1,000 shares issued and paid		1,000	1,000
Additional paid in capital		35,699,000	3,999,000
Retained earnings (Deficit)		(24,312,144)	(8,191,468)
		11,387,857	(4,191,468)
		55,763,917	60,612,573

The accompanying notes are an integral part of these financial statements
For Advanta US, LLC (formerly known as Advanta U.S. Inc.)

Ben Adams
Director
Dallas, United States of America
April 15, 2018

Statement of operations and comprehensive income for the year ended March 31, 2018

	Notes	*(Figures in USD)* Year ended Mar 31, 2018	Year ended Mar 31, 2017
REVENUE			
Product		20,952,828	16,083,402
Service		130,285	194,067
Total sales		21,083,113	16,277,469
COST OF SALE			
Product and Service		13,051,967	11,526,736
Inventory reserve		-	3,433,555
Total cost of sales		13,051,967	14,960,291
GROSS PROFIT		8,031,146	1,317,178
EXPENDITURE			
Operating expenses		13,854,620	13,245,196
Research and development		971,999	1,341,000
Exceptional costs	17	11,151	327,226
Inventory write off		-	2,691,820
Sub total		14,837,770	17,605,242
Loss from operations		(6,806,625)	(16,288,064)
Other income/(expense)			
Miscellaneous income	18	5,338,486	42,198
Finance cost	19	(3,019,385)	(3,113,492)
Impairment of goodwill	10	(4,193,000)	-
Loss before Income Taxes		(8,680,524)	(19,359,358)
Income tax (losses)/benefit	20	(7,440,151)	6,532,000
Net comprehensive loss for the year		(16,120,676)	(12,827,358)

The accompanying notes are an integral part of these financial statements
For Advanta US, LLC (formerly known as Advanta U.S. Inc.)

Ben Adams
Director
Dallas, United States of America
April 15, 2018

Statement of stockholder's deficit as on March 31, 2018

(Figures in USD)

Particulars	Common stock	Additional paid-in capital	Accumulated Deficit	Total
As on April 01, 2016	1,000	3,999,000	4,635,890	8,635,890
Net loss	-	-	(12,827,358)	(12,827,358)
As on March 31, 2017	**1,000**	**3,999,000**	**(8,191,468)**	**(4,191,468)**
Additional paid in capital	-	31,700,000	-	31,700,000
Net loss	-	-	(16,120,676)	(16,120,676)
As on March 31, 2018	**1,000**	**35,699,000**	**(24,312,144)**	**11,387,857**

During the year, the company has received additional paid in capital of $6,700,000 from Advanta Holdings BV (Previous stockholder).

During the year, the company has converted the existing loan of $25,000,000 received from United Phosphorus Inc to additional paid in capital by virtue of contribution agreement.

The accompanying notes are an integral part of these financial statements

For Advanta US, LLC (formerly known as Advanta U.S. Inc.)

Ben Adams
Director
Dallas, United States of America
April 15, 2018

Statement of cash flows for the year ended March 31, 2018

	Year ended Mar 31, 2018	Year ended Mar 31, 2017
	(Figures in USD)	
I. FROM OPERATING ACTIVITIES		
Net comprehensive loss for the year	(16,120,676)	(12,827,358)
Charges and credits to net loss not affecting cash		
Depreciation and amortization	513,460	678,623
Impairment of goodwill	4,193,000	-
Deferred taxes	7,416,000	(6,470,000)
Gain on sale of assets	-	(6,596)
Allowance for doubtful accounts and sales returns	(250,924)	533,454
Inventory reserve	(4,015,990)	4,724,702
Operating cash flow before working capital changes	(8,265,130)	(13,367,175)
(Increase)/decrease in advances, deposits and prepayments	(473,342)	(13,426)
(Increase)/decrease in trade receivable	(11,603,938)	3,950,770
(Increase)/decrease in inventory	8,954,247	3,890,905
(Increase)/decrease in other receivable	53,905	104,317
Increase/(decrease) in due to related parties	3,854,057	4,243,281
Increase/(decrease) in trade payable	(545,973)	(2,354,094)
Increase/(decrease) in accruals and other payable	1,379,797	(90,795)
Increase/(decrease) in deferred revenue	(1,115,862)	1,119,973
Net cash generated from/(used in) operating activities (A)	(7,762,238)	(2,516,244)
II. FROM INVESTING ACTIVITIES		
Purchase of plant, machinery and equipment	(1,045,412)	(1,345,822)
Proceeds from sale of equipment	-	11,902
Net cash used in investing activities (B)	(1,045,412)	(1,333,920)
III. FROM FINANCING ACTIVITIES		
Net change on revolving line of credit	(24,500,000)	4,876,639
Checks issued in excess of bank balance	-	(150,865)
Proceeds on related party long term note payable	500,000	400,000
Additional paid up capital	31,700,000	-
Net cash generated from financing activities (C)	7,700,000	5,125,774
Net increase in cash and cash equivalents (A+B+C)	(1,107,650)	1,275,610
Cash and cash equivalents at beginning of the year	1,574,403	298,793
Cash and cash equivalents at end of the year	466,753	1,574,403
CASH AND CASH EQUIVALENTS		
Cash at bank	466,752	1,574,403
Cash and cash equivalents as per cash flow statement	466,752	1,574,403

The accompanying notes are an integral part of these financial statements

For Advanta US, LLC (formerly known as Advanta U.S. Inc.)

Ben Adams
Director
Dallas, United States of America
April 15, 2018

Significant accounting policies to the financial statements for the year ended March 31, 2018

1. LEGAL STATUS AND ACTIVITIES

1.1 Legal status

Advanta U.S. Inc., a Delaware corporation, (the Company) was organized in 2007 and capitalized during 2008. The Company is principally engaged in the breeding and wholesaling of sorghum seed in the United States. The Company has operations in Hereford, TX, Irving, TX and College Station, TX as of March 31, 2018. The Company has a fiscal year end of March 31, 2018 to conform to its parent company's accounting practices and year end reporting.

During the year, the 100% shareholding of the company is transferred from Advanta Holdings BV to United Phosphorus Inc., USA. The status of the company is changed from C Incorporation to Limited Liability Company. Consequent to this, the name of the company is changed from Advanta U.S. Inc to Advanta US, LLC.

The day to day management of the Company is managed by its Board of Directors.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with accounting policies generally accepted in the United States of America ('US GAAP"). The financial statements are prepared in the United State Dollars (USD), the functional currency of the Company.

2.2 Going concern

During the year, the company has incurred net losses of $16,120,676 (Previous year : $ 12,827,358). The company has continued to experience decreased sales, recurring financial operating losses and negative cash flows. The financial statements of the company are prepared on a going concern basis as the management has no intention to liquidate the company or cease its operations. The assets and liabilities are recorded on the basis that entity will be able to realise its assets and discharge its liabilities in the normal course of business.

2.3 Use of estimates & Judgments

The preparation of financial statements in conformity with US GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Management bases its estimates on historical experience, industry standards and on various other assumptions believed to be reasonable under the circumstances.

Significant accounting policies to the financial statements for the year ended March 31, 2018

2.4 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

ASSET CLASS	YEARS
Building and Leasehold improvements	5-30 years
Machinery and equipment	10 years
Transport equipment	5 years
Office equipment	10 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment.

All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

2.5 Assets held for resale

As of March 31, 2018 and 2017, the Company is actively pursuing the sale of the property and equipment located in Crosbyton, TX. The net book value of these assets have been presented as held for resale as of March 31, 2018 and 2017.

Significant accounting policies to the financial statements for the year ended March 31, 2018

2.6 Goodwill

Goodwill represents costs in excess of purchase price over the fair value of the assets of businesses acquired, including other identifiable intangible assets. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortized, rather potential impairment is considered on an annual basis, or more frequently upon the occurrence of an event or when circumstances indicate that the amount of goodwill is greater than its fair value.

2.7 Intangible Assets

Intangible assets with finite life consist of licensing agreements, and are carried at cost less accumulated amortization. The Company amortizes the cost of identifiable intangible assets on a straight-line basis over the expected period of benefit, which range from ten to fifteen years.

2.8 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.

2.9 Financial assets

a. Initial recognition and measurement

Financial assets are recognized on the balance sheet 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.

b. Subsequent measurement

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

The company classifies non derivative financial assets are follows : financial assets at fair value through profit or loss, held to maturity financial assets, available for sale financial assets and loans and receivables.

c. Held to maturity financial assets

The company does not have any held to maturity financial assets.

Significant accounting policies to the financial statements for the year ended March 31, 2018

d. **Available for sale financial assets**
Available for sale financial assets include equity and debt securities. Equity investments classified as available for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to need for liquidity or in response to changes in the market conditions.

2.10 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 initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, and through the amortization process.

2.11 Impairment of financial assets

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a company of financial assets is impaired. A financial asset or a company of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the company of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, any impairment loss is recognized in the statement of comprehensive income. Impairment is determined as follows:

a. For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognized in the statement of comprehensive income;

b. For assets carried at cost, impairment is the difference between the carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;

c. For assets carried at amortized cost, impairment is the difference between the carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Significant accounting policies to the financial statements for the year ended March 31, 2018

2.12 Revenue

Revenue is generally recognized when title to and risk of loss on finished product passes to the customer. Revenue is recognized as the net amount to be received after deducting estimated amounts for discount, trade allowances, and product returns.

In certain circumstances, upon the customer's written request, the Company may recognize revenue when production is complete and the good is ready for shipment. At the buyer's request, the Company will bill the buyer upon completing all performance obligations, but before shipment. The buyer dictates that we ship the goods per their direction from our processing facility, as it is customary with this type of agreement, in order to minimize shipping costs. The written agreement with the customer specifies that the goods will be delivered on a schedule to be determined by the customer, with a final specified delivery date, and that we will segregate the goods from our inventory, such that they are not available to fill other orders. This agreement also specifies that the buyer is required to purchase all goods manufactured under this agreement. Title of the goods will pass to the buyer when the goods are complete and ready for shipment, per the customer agreement. At the transfer of title, all risks of ownership have passed to the buyer, and the buyer agrees to maintain insurance on the manufactured items that have not yet been shipped. The company has operated using bill and hold agreements with certain customers for many years. The credit terms on this agreement are consistent with the credit terms on all other sales. All risks of loss are shouldered by the buyer, and there are no exceptions to the buyer's commitment to accept and pay for these manufactured goods.

2.13 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cheques on hand, balance in current accounts, bank balances, and short-term deposits with an original maturity of three months or less and highly liquid investments with a maturity date of three months or less from the date of investment.

2.14 Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

2.15 Inventories

The method of valuation of various categories of inventories is as follows:

Raw materials are stated at lower of cost or market. Cost is determined on a specific identification basis and production costs of the related crops are valued on a standard cost basis that approximates the first-in, first-out method. These standards are reviewed regularly and adjusted for significant variances.

Significant accounting policies to the financial statements for the year ended March 31, 2018

Stores and spares, consumables and packaging materials are stated at lower of cost or market. Cost is determined on a standard cost basis that approximates the first-in, first-out method. These standards are reviewed regularly and adjusted for significant variances.

Work-in-process and finished goods are stated at lower of cost or market. Work in process comprises of material cost and applicable overheads. In the case of finished goods, the cost comprises of material cost, direct labor and production overheads of the related crops. Cost is determined on a standard cost basis that approximates the first- in, first-out method.

Market value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.16 Foreign currency

Transactions in foreign currencies are initially recorded by the company at the currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

2.17 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Significant accounting policies to the financial statements for the year ended March 31, 2018

The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.18 Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

2.19 Deferred revenue

Revenue is recognized as title transfers, which typically occurs when goods are shipped. Amounts received in advance are deferred and recognized when earned.

2.20 Gratuity and leave

The Company's employees are allowed to participate in the 401(k) plan of the holding company and can contribute up to the maximum permitted by law, through salary reductions. Company matching contributions for the plan are equal to 100% of each employee's salary deferral up to 4% of their total salary. The Company can also make matching and/or profit sharing contributions to the plan at the discretion of the Board of Directors.

2.21 Borrowing costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company, or a present obligation that is not recognized because it is not probably that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Significant accounting policies to the financial statements for the year ended March 31, 2018

2.23 Income taxes

The company is a limited liability company and is not a tax paying entity for federal tax purposes. Thus, no federal income tax provision has been recorded in the financial statements. The taxable income of the company is included in the individual member's tax return. The company is subject to income taxes in certain states and files a consolidated tax return is filed with United Phosphorus Inc., USA. (UPI). During the year ended March 31, 2018, no state tax was allocated to the company by UPI. Accordingly, no provision or liability for state income is recorded for the year ended March 31, 2018.

Any uncertainties in income taxes are evaluated by UPI and uncertain tax positions, if any are reflected in UPI's consolidated financial statements.

2.24 Severance pay

Exceptional cost represents the severance pay to employees.

2.25 Related parties

A party is considered to be related to the company if:

(a) The party, directly or indirectly through one or more intermediaries,

(i) controls, is controlled by, or is under common control with, the company;

(ii) has an interest in the company that gives it significant influence over the company; or

(iii) has joint control over the company;

(b) The party is an associate;

(c) The party is a jointly-controlled entity;

(d) The party is a member of the key management personnel of the company or its parent;

(e) The party is a close member of the family of any individual referred to in (a) or (d); or

(f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

Notes to the financial statements for the year ended March 31, 2018

		(Figures in USD)	
		As on Mar 31, 2018	As on Mar 31, 2017
3.	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	1,000	1,000
	Cash at bank		
	Balance at bank	465,752	1,573,403
		466,752	1,574,403
4.	**TRADE AND OTHER RECEIVABLE**		
	Due from others	13,572,477	4,719,382
	Due from related parties	13,038,574	10,287,731
	Trade receivable		
	Less: Provision for doubtful debts	(339,893)	(590,817)
		26,271,159	14,416,296
	Ageing of trade receivable as on year end:		
	Debts outstanding for a period of less than six months :		
	Secured, considered good	-	-
	Unsecured, considered good	20,712,801	10,450,370
	Unsecured, considered doubtful	-	237,363
	Debts outstanding for a period of more than six months :		
	Secured, considered good	-	-
	Unsecured, considered good	5,898,250	4,319,380
	Less: Provision for doubtful debts and sales returns	(339,893)	(590,817)
	Closing	26,271,158	14,416,296

In determining the recoverability of trade receivables, the group considers any change in the credit quality of the trade receivable from the date the credit was initially granted upto the date of adoption of the accounts. Management has taken the current market conditions and payment received subsequent to the reporting date when assessing the credit quality of trade receivables. Accordingly, taking all of the above into account, the required provision on account of doubtful trade receivables has been made.

		As on Mar 31, 2018	As on Mar 31, 2017
5.	**INVENTORY**		
	Commercial seed inventory - Raw	5,191,143	16,480,655
	Commercial seed inventory - Finished	5,596,024	2,760,181
	Chemicals	1,071,394	1,828,496
	Bags and pallets	397,764	414,086
	Work in progress	231,007	118,423
	Seed stock inventory	2,141,642	1,981,379
	Reserve for obsolescence	(708,712)	(4,724,702)
		13,920,261	18,858,518

Notes to the financial statements for the year ended March 31, 2018

During the previous year, due to excessive drought, disease attack, and infestation of the Sugar Cane Aphid on sorghum crops, the market for a particular hybrid has led to a significant sorghum market shrinkage. Net inventory write-offs related to these conditions equaled $2,691,820 for the year ended March 31, 2017. The write off for the previous year is not as per normal business conditions and are exceptional in nature.

			(Figures in USD)
		As on Mar 31, 2018	As on Mar 31, 2017
6.	**OTHER RECEIVABLE**		
	Net tax receivable	-	53,905
		-	53,905
7.	**ADVANCE, DEPOSITS AND PREPAYMENTS**		
	Advance to supplier	450,849	-
	Deposits	2,049	-
	Prepaid expenses	153,482	133,039
		606,381	133,039
8.	**DEFERRED TAX ASSET - SHORT TERM**		
	Current deferred tax	-	3,966,000
	DEFERRED TAX ASSET - LONG TERM		
	Non current deferred tax	-	3,450,000

Deferred tax assets and liabilities consist of the following components as follows:

	2017-18	2016-17
Deferred tax assets		
Inventory capitalization	-	456,000
Allowance for doubtful accounts	-	81,000
Inventory allowance	-	1,606,000
Accrued interest	-	1,679,000
Accrued management fees	-	-
Accrued bonus	-	73,000
Research and development credit	-	71,000
Net operating loss	-	5,679,000
Deferred tax liability	-	-
Property, equipment and intangibles, net	-	(2,229,000)
Total deferred tax	-	7,416,000

Pursuant to the conversion of the entity from corporation to the limited liability company, the company is no more a tax paying entity for federal income tax purposes. The status of the company has changed from taxable entity to non-taxable entity. Consequent to this and as per the general accounting principles accepted in United States of America, the company has derecognized the net deferred tax assets of $8,216,066 accounted in the books at the conversion date (December 31, 2017).

Notes to the financial statements for the year ended March 31, 2018

9. PROPERTY, PLANT AND EQUIPMENT

(Figures in USD)

Particulars	Land	Buildings and Leasehold improvement	Machinery and Equipment	Office Equipment	Transportation Equipment	Construction in progress	Total
Cost							
As on April 01, 2016	292,726	2,775,161	2,285,617	85,674	36,374	82,797	5,558,349
Additions	-	43,537	762,867	90,816	-	448,473	1,345,693
Reclassifications	-	-	-	-	-	-	-
Disposals	-	-	-	-	(1,639)	-	(1,639)
As on March 31, 2017	292,726	2,818,698	3,048,484	176,490	34,735	531,270	6,902,403
Additions	(0)	312,908	840,234	145,892	51,800	(305,422)	1,045,412
Reclassifications	-	-	-	-	-	-	-
Disposals	-	-			-	-	-
As on March 31, 2018	292,726	3,131,606	3,888,718	322,382	86,535	225,848	7,947,815
Accumulated depreciation							
As on April 01, 2016	-	596,604	1,457,232	60,445	23,792	-	2,138,073
Additions	-	183,179	277,000	41,210	2,500	-	503,889
Disposals	-	-	-	-	(9,425)	-	(9,425)
As on March 31, 2017	-	779,783	1,734,232	101,655	16,867	-	2,632,537
Additions	-	110,850	57,375	9,585	11,936	-	189,747
Reclassification	-	13,517	94,795	14,350	43,450	-	166,111
Disposals	-	-	-	-	-	-	-
As on March 31, 2018	-	904,150	1,886,401	125,590	72,253	-	2,988,395
Impairment losses	-	-	-	-	-	-	-
Net Value							
As on March 31, 2018	292,726	2,227,456	2,002,317	196,792	14,282	225,848	4,959,420
As on March 31, 2017	292,726	2,038,915	1,314,252	74,835	17,868	531,270	4,269,866

Notes to the financial statements for the year ended March 31, 2018

10. INTANGIBLE ASSETS

(Figures in USD)

Particulars	Goodwill	Other Intangibles	Total
Cost			
As on April 01, 2016	12,787,493	2,058,544	14,846,037
Additions	-	-	-
Disposals	-	-	-
As on March 31, 2017	12,787,493	2,058,544	14,846,037
Additions	-	-	-
Disposals	-	-	-
As on March 31, 2018	12,787,493	2,058,544	14,846,037
Accumulated Amortization			
As on April 01, 2016	-	1,313,947	1,313,947
Additions	-	196,697	196,697
Disposals	-	-	-
As on March 31, 2017	-	1,510,644	1,510,644
Additions	-	157,602	157,602
Disposals			-
As on March 31, 2018	-	1,668,246	1,668,246
Impairment losses	4,193,000	-	4,193,000
Net value			
As on March 31, 2018	8,594,493	390,298	8,984,791
As on March 31, 2017	12,787,493	547,900	13,335,393

Estimated future amortization expense related to these intangible assets is as follows:

2019	157,602
2020	157,602
2021	157,602
	472,806

Ammortization expense of $ 157,602 and $ 196,697 was charged to operations for year ended March 31, 2018 and March 31, 2017, respectively. All intangible assets have an estimated life of ten years, except goodwill, which is amortized in accordance with Codification 350 Intangibles - Goodwill and Other.

Impairment testing of goodwill

During the year, the management has performed the impairment testing of the goodwill considering the historical losses and the future cash flow projections. Considering this, the management has determined that the carrying value of the goodwill is partially impaired and accordingly, impairment of $4,193,000 is done in the books.

Notes to the financial statements for the year ended March 31, 2018

	(Figures in USD) As on Mar 31, 2018	As on Mar 31, 2017
11. SHORT TERM BORROWINGS		
Loan from United Phosphorus Inc	500,000	25,000,000
	500,000	25,000,000

The company has a short-term operating credit facility totaling $500,000 with United Phosphorus Inc., holding company. During the year, the company has received additional funding of $500,000 from United Phosphorus Inc. During the year, $25,000,000 was converted from loan to equity in accordance with the contribution agreement.

	As on Mar 31, 2018	As on Mar 31, 2017
12. TRADE AND OTHER PAYABLE		
Trade accounts payable	7,591,234	8,137,207
13. ACCRUALS AND OTHER PAYABLE		
Salaries and payroll taxes payable	1,484,868	219,481
Royalty payable	247,389	-
Other expense payable	415,971	548,950
	2,148,228	768,431
14. DEFERRED REVENUE		
Advance from customers	712,491	1,828,353
15. DUE TO RELATED PARTIES		
Accrued management fees	2,925,623	1,687,500
Accounts payable	1,418,612	1,824,474
Accrued interest	7,959,879	4,938,084
	12,304,115	8,450,058
16. DUE TO RELATED PARTIES		
Loans from Advanta Holdings B.V	17,119,992	16,619,992
Loans from Advanta Seed International Mauritius	4,000,000	4,000,000
	21,119,992	20,619,992

At March 31, 2018 and 2017, the Company has a $1,619,992 (Previous year: $1,619,992) long -term note payable with a related party. This note is unsecured and bears interest rate at 5.9% above the sixth month LIBOR rate, currently at 6.88%, with no specific payment terms, payments are based on cash flow position.

Notes to the financial statements for the year ended March 31, 2018

At March 31, 2018 and 2017, the Company has a $15,500,000 (Previous year - $15,000,000) long -term note payable with a related party. This note is unsecured and bears interest at a rate of 11 % with no specific payment terms, payments are based on cash flow position.

At March 31, 2018 and March 31, 2017, the Company has a $4,000,000, long - term note payable with a related party, respectively. The notes are unsecured and bears interest rate of 11% with no specific payment terms., payments are based on cash flow positions and at mutual agreements of parties.

The related party notes above have all been classified on the accompanying balance sheet as long -term, as no payments are expected in fiscal year 2019.

		(Figures in USD)
	Year ended Mar 31, 2018	Year ended Mar 31, 2017
17. EXCEPTIONAL COSTS		
Severance expense	**11,151**	327,226
Exceptional cost represents the severance pay to employees		
18. OTHER INCOME		
Interest income on bank balance	**(2,402)**	61
Gain on sale of fixed assets	**-**	6,596
Miscellaneous income	**1,578,623**	35,541
Management fees	**3,762,265**	-
	5,338,486	42,198
19. FINANCE COST		
Interest expense - related party	**3,019,385**	2,668,063
Interest expense	-	445,429
	3,019,385	3,113,492
20. INCOME TAX (LOSSES)/BENEFIT		
Income tax for year	**775,915**	6,532,000
Deferred tax written off	**(8,216,066)**	-
	(7,440,151)	6,532,000

Notes to the financial statements for the year ended March 31, 2018

Pursuant to the conversion of the entity from corporation to the limited liability company, the company is no more a tax paying entity for federal income tax purposes. The status of the company has changed from taxable entity to non-taxable entity. Thus, no federal income tax provision has been recorded in the financial statements. The taxable income of the company is included in the individual member's tax return. The company is subject to income taxes in certain states and files a consolidated tax return is filed with United Phosphorus Inc., USA. (UPI). During the year ended March 31, 2018, no state tax was allocated to the company by UPI. Accordingly, no provision or liability for state income is recorded for the years ended March 31, 2018.

Any uncertainties in income taxes are evaluated by UPI and uncertain tax positions, if any are reflected in UPI's consolidated financial statements.

The income tax provision for 2018 and 2017 is comprised of the following:

(Figures in USD)

	2017-18	2016-17
Current tax provision/(benefits)	**775,915**	(62,000)
Deferred tax provision/(benefits)	**(775,915)**	(6,470,000)
Less : Write off during the year	**(7,440,151)**	-
Loss/(benefit) from income taxes	**(7,440,151)**	(6,532,000)

The income tax recoverable (payable) as of March 31, 2018 and 2017 is comprised as follows:

Income tax payments, net		(8,095)
Current receivable		62,000
Net Income tax recoverable	-	53,905

	2017-18	2016-17
Expected federal tax expense (26% expected rate)	-	(6,582,000)
Increase in income taxes resulting from	-	
Non- deductible expenses	-	14,000
Prior year differences from estimated to actual tax	-	21,000
Other	-	15,000
	-	(6,532,000)
Effective tax rate		33.70%

Notes to the financial statements for the year ended March 31, 2018

21. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no significant events occurring after the balance sheet date, which require disclosure in the financial statements.

22. RELATED PARTY TRANSACTIONS

The Company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party contained in the US GAAP. The Company believes that the terms of these transactions are not significantly different from those that could have been obtained from third parties.

List of related parties where control exists and related parties with whom transactions have taken place is as follows:

Name of related party	Country	Nature of relationship
Advanta Holdings B.V.	Netherland	Fellow subsidiary
Advanta Netherlands Holdings B.V.	Netherland	Fellow subsidiary
Advanta Seeds Pty Limited, Australia	Australia	Fellow subsidiary
Pacific Seeds (Thai) Limited	Thailand	Fellow subsidiary
Advanta Commercio de Sementes (Brazil)	Brazil	Fellow subsidiary
Advanta Seed International, Mauritius	Mauritius	Fellow subsidiary
Advanta Semillas, SAIC, Argentina	Argentina	Fellow subsidiary
United Phosphorus Inc., USA	USA	Shareholder of the Company
Advanta Seeds DMCC	UAE	Fellow subsidiary
UPL Corporation Limited	Mauritius	Fellow subsidiary
UPL Limited, India	India	Ultimate Holding Company
UPL Agro, Mexico	Mexico	Fellow subsidiary

Transactions with related parties included in the statement of financial position are as follows:

(Figures in USD)

	Particulars		2017-18	2016-17
a.	**Income derived**			
	Advanta Holdings B.V.	Sales	**344,466**	296,628
	Advanta Netherlands Holding B.V.	Sales	**296,628**	-
	Pacific Seeds (Thai) Limited	Sales	**-**	124,920
	Advanta Commercio de Sementes (Brazil)	Sales	**160,130**	2,042,746
	Advanta Seed International	Sales	**181,920**	1,593,673
	Advanta Seeds DMCC	Sales	**-**	867,124
	UPL Agro, Mexico	Sales	**243,185**	-
			1,226,329	4,925,091

Notes to the financial statements for the year ended March 31, 2018

(Figures in USD)

		2017-18	2016-17
b. Purchase/materials consumed/service cost			
Advanta Seeds Pty Limited, Australia	Purchases/services	38,954	-
Pacific Seeds (Thai) Limited	Purchases/services	4,000	-
Advanta Semillas, SAIC, Argentina	Purchases/services	39,038	670,025
UPL Corporation Limited	Purchases/services	3,547	-
UPL Limited, India	Purchases/services	-	104,964
		85,538	774,989
c. Other Income			
Advanta Holdings B.V.	Recharge of expenses	474,000	-
Advanta Seeds Pty Limited, Australia	Global recharge of expenses	515,000	-
Pacific Seeds (Thai) Limited	Global recharge of expenses	281,000	-
Advanta Commercio de Sementes (Brazil)	Global recharge of expenses	692,000	-
Advanta Seeds DMCC	Fixed OH recharge	-	760,000
Advanta Seeds DMCC	Global recharge of expenses	1,127,265	-
UPL Corporation Limited	Global recharge of expenses	-	-
UPL Agro, Mexico	Global recharge of expenses	138,000	-
Advanta Seed International	Intercompany charges	-	21,123
Advanta Semillas, SAIC, Argentina	Intercompany charges	535,000	-
		3,762,265	781,123
d. Recharge of expenses from related parties			
United Phosphorus Inc., USA	Interest expense	826,049	520,139
Advanta Seed International	Interest expense	440,000	408,472
Advanta Holdings B.V.	Interest expense	1,753,337	1,739,452
Advanta Holdings B.V.	Management fees	377,951	-
Advanta Seeds DMCC	Management fees	-	750,000
Advanta Seeds DMCC	Biotech charges	-	477,723
		3,397,337	3,895,786
e. Net loan given/(received)			
Advanta Holdings B.V.		(500,000)	-
Advanta Seed International		-	(400,000)
United Phosphorus Inc., USA		(500,000)	-
Balance converted to Equity		25,000,000	-
		24,000,000	(400,000)

Notes to the financial statements for the year ended March 31, 2018

(Figures in USD)

		2017-18	2016-17
f. Balances as on reporting date			
i Dues from/(to) related parties			
Related parties	Trade accounts receivable (Note 4)		
Advanta Netherlands Holdings B.V.		1,461,427	296,627
Advanta Seeds Pty Limited, Australia		515,000	
Pacific Seeds (Thai) Limited		281,000	-
Advanta Commercio de Sementes (Brazil)		4,596,380	3,744,250
Advanta Seed International		342,912	1,582,630
Advanta Semillas, SAIC, Argentina		537,205	-
Advanta Seeds DMCC		1,881,865	1,627,124
UPL Corporation Limited		3,037,100	3,037,100
UPL Agro, Mexico		385,685	
		13,038,574	10,287,731
Related parties	Due to related parties (Note 15)		
Advanta Holdings B.V.		377,951	-
Advanta Seeds Pty Limited, Australia		38,954	-
Pacific Seeds (Thai) Limited		4,000	-
Advanta Semillas, SAIC, Argentina		683,670	644,632
United Phosphorus Inc., USA		368,784	-
UPL Corporation Limited		3,547	-
UPL Limited, India		104,964	104,964
Advanta Seeds DMCC		2,762,366	2,762,378
		4,344,235	3,511,974
Related parties	Loan from related party (Note 11)		
Advanta Holdings B.V.	Loan taken	15,500,000	15,000,000
Advanta Holdings B.V.	Loan taken	1,619,992	1,619,992
Advanta Holdings B.V.	Accrued Interest Payable	5,679,695	3,926,354
Advanta Seed International	Loan taken	4,000,000	4,000,000
Advanta Seed International	Accrued Interest Payable	1,235,018	795,018
United Phosphorus Inc., USA	Loan taken	500,000	25,000,000
United Phosphorus Inc., USA	Accrued Interest Payable	1,044,799	218,750
		26,799,687	24,546,346

Notes to the financial statements for the year ended March 31, 2018

23. FAIR VALUE MEASUREMENT

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A significant portion of the company's financial instruments is carried at fair value. The fair value of the financials instruments are not materially different from their carrying amounts.

24. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

During 2014 the Company has entered into an agreement with a Company for the resale and distribution of branded seed corn. It is a ten year agreement expiring on August 31, 2024, in which they must exclusively sell certain brands during the first 5 years, and are committed to minimum sales percentages during the remainder of the contract. Under the terms of the agreement the Company is committed to purchases throughout the contract ranging from 20,000 units up to 50,000 units annually for the first 5 years. Products sold under this agreement shall be no less than the following of total corn seed sales: Crop Year 6, 80%; Crop Year 7, 60%; Crop Year 8, 40%; Crop Year 9, 20%. The company is in negotiations with the company to extend the term of the agreement for the remaining $11,250,000 as purchase commitment.

25. GENERAL

25.1 Figures in the financial statements are rounded off to the nearest US Dollars.

25.2 Previous year figures are regrouped/rearranged wherever to confirm to the present year figures and are shown for comparison purpose only.

25.3 In the opinion of the management, all the assets as on March 31, 2018 as shown in the financial statement are existing and realizable at the amount shown against them, and there are no liabilities against the concern, contingent or otherwise, not included in the above financial statements.

For Advanta US, LLC (formerly known as Advanta U.S. Inc.)

Ben Adams
Director
Dallas, United States of America
April 15, 2018