

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

Your directors present their report on the company for the financial year ended 31 March 2019.

Directors

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

Mr David Charles McDonald
Mr Sachidanand Madan
Mr Arup Kumar Mukerji (till 17th July 2018)
Mr Allan Hendry
Mr Dharmarajan Ashok (effective 13th August 2018)

Corporate information

Technico Asia Holdings Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. It is a wholly owned subsidiary of Technico Pty Ltd, a company incorporated in Australia.

The registered office of Technico Asia Holdings Pty Limited is located at:

49 Bowral Street, BOWRAL NSW 2576, Australia

The company had no employees during the year.

Principal activities

During the year, the entity did not have any activity other than holding 100% of the shares of Technico Horticultural (Kunming) Co Limited, China.

Review and results of operations

During the year, the company earned a profit of A\$ nil [2018: nil].

Significant events after balance date

There are no significant events after the balance date to be reported.

Environmental regulation and performance

The company is not subject to any particular or significant environmental regulation.

Indemnification and insurance of directors**Indemnification**

The company has not, during or since the financial year, indemnified or agreed to indemnify a current or former director or officer or auditor of the company or of any related body corporate against a liability incurred whilst engaged as a director or officer or auditor.

Insurance

The company has not, during or since the financial year, paid any insurance premium or agreed to pay a premium insuring directors, officers and auditors of the company against liabilities for costs and expenses incurred in defending civil or criminal proceedings.

Auditor independence

The auditor's independence declaration from Kelly Partners (South West Sydney) Partnership is on page 12 of this report.

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

**Allan Hendry
Director**

Place: Sydney, Australia
Date: 25th April 2019

DIRECTORS' DECLARATION FOR THE YEAR ENDED 31 MARCH 2019

In accordance with a resolution of the directors of Technico Asia Holdings Pty Limited, we state that in the opinion of the directors:

- (a) the company is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the company are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 March 2019 and of their performance for the year ended on that date;

- (ii) complying with Accounting Standards and Corporations Regulations; and

- (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board:

Allan Hendry
Director
Place: Sydney, Australia
Date: 25th April 2019

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001****To the Directors of the Technico Asia Holdings Pty Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2019 there has been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Kelly Partners (South West Sydney) Partnership

Daniel Kuchta
Registered Auditor Number 335565
Campbelltown
Date: 26th April 2019

**INDEPENDENT AUDIT REPORT
To the Members of Technico Asia Holdings Pty Limited,****Opinion**

We have audited the financial report of Technico Asia Holdings Pty Limited, which comprises the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Technico Asia Holdings Pty Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 March 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our

report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 31 March 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to 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. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Kelly Partners (South West Sydney) Partnership

Daniel Kuchta
Registered Auditor Number 335565

Campbelltown
Date: 26th April 2019

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Notes	2019		2018	
	\$	₹	\$	₹
Continuing operations				
Sale of goods	–	–	–	–
Cost of sales:				
Other cost of sales	–	–	–	–
Inventory write off and write down	–	–	–	–
Gross profit				
Other income	–	–	–	–
Marketing expenses	–	–	–	–
Research and development expenses	–	–	–	–
Occupancy expenses	–	–	–	–
Administration expenses:				
Other administration expenses	–	–	–	–
Recovery investments and loans	–	–	–	–
Finance costs	–	–	–	–
Other revenues/(expenses) from ordinary activities	–	–	–	–
Profit from continuing operations before income tax expense	–	–	–	–
Income tax expense	–	–	–	–
Net profit attributable to members of Technico Asia Holdings Pty Ltd	–	–	–	–

BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019		2018	
		\$	₹	\$	₹
Current assets					
Cash and cash equivalents		-	-	-	-
Trade and other receivables	2	-	-	-	-
Inventories		-	-	-	-
Other		-	-	-	-
Total current assets		-	-	-	-
Non-current assets					
Receivables		-	-	-	-
Other financial assets	3	969,736	47,536,458	969,736	48,530,438
Property, plant and equipment		-	-	-	-
Intangible assets		-	-	-	-
Total non-current assets		969,736	47,536,458	969,736	48,530,438
Total assets		969,736	47,536,458	969,736	48,530,438
Current liabilities					
Trade and other payables	4	-	-	-	-
Loans and borrowings	5	-	-	-	-
Provisions		-	-	-	-
Total current liabilities		-	-	-	-
Non-current liabilities					
Interest free loans and borrowings		-	-	-	-
Provisions		-	-	-	-
Total non-current liabilities		-	-	-	-
Total liabilities		-	-	-	-
Net assets		969,736	47,536,458	969,736	48,530,438
Equity					
Contributed equity	6	3,684,522	180,615,268	3,684,522	184,391,903
Accumulated losses	7	(2,714,786)	(133,078,810)	(2,714,786)	(135,861,465)
Total equity		969,736	47,536,458	969,736	48,530,438

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2019

	Contributed equity \$	Retained earnings \$	Total \$
At 1 April 2017	3,684,522	(2,714,786)	969,736
Profit for the period	-	-	-
At 31 March 2018	3,684,522	(2,714,786)	969,736
Profit for the period	-	-	-
At 31 March 2019	3,684,522	(2,714,786)	969,736
	Contributed equity ₹	Retained earnings ₹	Total ₹
At 1 April 2017	182,678,601	(134,599,090)	48,079,511
Unrealised exchange gain/(loss)	1,713,302	(1,262,375)	450,927
At 31 March 2018	184,391,903	(135,861,465)	48,530,438
Unrealised exchange gain/(loss)	(3,776,635)	2,782,655	(993,980)
At 31 March 2019	180,615,268	(133,078,810)	47,536,458

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

Notes	2019		2018	
	\$	₹	\$	₹
Cash flow from operating activities				
Net cash flows (used in)/from operating activities	—	—	—	—
Cash flows from financing activities				
Net cash flows (used in)/from financing activities	—	—	—	—
Net increase/(decrease) in cash held	—	—	—	—
Add opening cash brought forward	—	—	—	—
Cash and cash equivalents at end of period	—	—	—	—

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31 MARCH 2019

Note 1: Statement of significant accounting policies

(a) Basis of preparation and going concern

The financial report is a special purpose financial report prepared for distribution to members of the company to fulfil the directors' financial reporting requirements under Chapter 2M of the Corporations Act 2001. The accounting policies used in the preparation of this report, as described below, are in the opinion of the directors, appropriate to meet the needs of members.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars. The supplementary information in INR (Indian Rupees), which are unaudited, have been arrived at by applying the year end inter-bank exchange rate of 1 AUD = INR 49.020 for the current year balance sheet (2018: INR 50.045) and the average rate of 1 AUD = INR 49.5325 for the current year income statement and cash flow statement (2018: INR 49.8113), and have been included in the financial report as required by the parent entity.

The directors have determined that the company is not a "reporting entity". Consequently the requirements of Accounting Standards issued by the AASB and other professional reporting requirements do not have mandatory applicability to Technico Asia Holdings Pty Limited in relation to the year ended 31 March 2019. However, the directors have determined that in order for the financial report to give a true and fair view of the company's results of operations and state of affairs, the requirements of Accounting Standards and other professional reporting requirements in Australia relating to the measurement and recognition of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the directors have prepared the financial report in accordance with the following Accounting Standards:

- AASB 101: Presentation of Financial Statements
- AASB 107: Cash Flow Statements
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048: Interpretation and Application of Standards

(b) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Investment in subsidiaries

The carrying value of the investment in subsidiaries is assessed at each

reporting date as to whether there is an indication that the asset may be impaired. The assessment includes estimates and assumptions of future events including anticipated rates of growth, gross margins, together with the application of a discount rate. These assumptions correspond with the best estimates of management at reporting date.

(c) Receivables

Trade/other receivables are recognised and carried at the original amount less any provision for doubtful debts. A provision is recognised when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(d) Other financial assets

Investments in controlled entities are recorded at cost less impairment of the investment value.

(e) Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

(f) Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

(g) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2: Trade and other receivables

	2019		2018	
	\$	₹	\$	₹
Current				
Trade and other receivables	—	—	—	—

2019		2018	
\$	₹	\$	₹

Note 3: Other financial assets
Non-current

Shares in subsidiaries:

At cost	3,684,522	180,615,268	3,684,522	184,391,903
Provision for write-down	(2,714,786)	(133,078,810)	(2,714,786)	(135,861,465)
Total other financial assets	<u>969,736</u>	<u>47,536,458</u>	<u>969,736</u>	<u>48,530,438</u>

Provision for write-down of subsidiaries

The losses generated within the subsidiaries have resulted in a provision for write-down to net assets being recorded against the cost amount of the investment.

	Percentage of equity interest held by the consolidated entity country of incorporation	%	Investment (Provision for diminution)			
			2019		2018	
			\$	₹	\$	₹
Technico Horticultural (Kunming) Co Ltd	China	100	3,684,522	180,615,268	3,684,522	184,391,903
			(2,714,786)	(133,078,810)	(2,714,786)	(135,861,465)
			<u>969,736</u>	<u>47,536,458</u>	<u>969,736</u>	<u>48,530,438</u>

Note 4: Trade and other payables
Current

Trade creditors	(i)	—	—	—	—
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Terms and conditions relating to the above financial instruments:

(i) trade creditors are non-interest bearing and are normally settled on 30 day terms.

2019		2018	
\$	₹	\$	₹

Note 5: Loans and borrowings
Current

Loans and borrowings	—	—	—	—
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Note 6: Contributed equity
Issued and paid up capital

3,684,522 Ordinary shares fully paid	<u>3,684,522</u>	<u>180,615,268</u>	<u>3,684,522</u>	<u>184,391,903</u>
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Terms and conditions of contributed equity
Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Note 7: Reserves and accumulated losses
Accumulated losses

Balance at beginning of year	(2,714,786)	(133,078,810)	(2,714,786)	(135,861,465)
Net profit attributable to the members of Technico Asia Holdings Ltd	—	—	—	—
Total available for appropriation	(2,714,786)	(133,078,810)	(2,714,786)	(135,861,465)
Dividends paid or provided for	—	—	—	—
Aggregate amount transferred (to)/from reserves	—	—	—	—
Balance at end of period	<u>(2,714,786)</u>	<u>(133,078,810)</u>	<u>(2,714,786)</u>	<u>(135,861,465)</u>

Note 8: Events subsequent to reporting date

There are no subsequent events to be reported.