***BIOSEEDS LIMITED***

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*BIOSEEDS LIMITED*

## MANAGEMENT AND ADMINISTRATION

| | | Date appointed | Date resigned |
|---|---|---|---|
| **DIRECTORS:** | Manogaran Thamothiram | 23 November 2007 | - |
| | Rajkamal Taposeea | 2 December 2011 | 31 January 2017 |
| | Poovazhagan Soobramanien | 31 January 2017 | - |

**SECRETARY:** Minerva Fiduciary Services (Mauritius) Limited
Suite 2004, Level 2
Alexander House
35 Cybercity
Ebene
REPUBLIC OF MAURITIUS

**REGISTERED OFFICE:** Minerva Fiduciary Services (Mauritius) Limited
Suite 2004, Level 2
Alexander House
35 Cybercity
Ebene
REPUBLIC OF MAURITIUS

**AUDITORS:** Morison (Mauritius)
Chartered Certified Accountants
5th Floor, City Centre Building
31, Cnr La Corderie & Leoville L'Homme Street
Port Louis
REPUBLIC OF MAURITIUS

**BANKER:** Standard Chartered Bank Limited
Units 6A and 6B
6th Floor, Raffles Tower,
Lot 19, Cybercity
Ebene
REPUBLIC OF MAURITIUS

**Independent Auditors' Report of Bioseeds Limited to Deloitte Haskins & Sells, auditors of DCM SHRIRAM LIMITED.**

**Report on the Consolidated Fit for Consolidation (FFC) Accounts as of March 31, 2017**

We have audited the accompanying financial information comprising of the balance sheet of Bioseeds Limited and its subsidiary as at March 31, 2017, and the statement of profit and loss (including other comprehensive Income), the cash flow statement and Statement of changes in equity of the Company for the year then ended and other reconciliation and information (all collectively referred to as the Consolidated Fit for Consolidation (FFC) Accounts) in accordance with the instructions in your letter dated 16 March 2017. The Consolidated FFC Accounts shows a net loss of USD 7,297,366, total assets of USD 22,239,826 and total equity of USD 1,654,499 negative. The Consolidated FFC Accounts was sent to you, signed, for identification purposes only.

**Management's Responsibility for Consolidated FFC Accounts**

Management is responsible for the preparation of the Consolidated FFC Accounts in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act"). This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. The Consolidated FFC Accounts has been prepared solely to enable DCM Shriram Limited to prepare its consolidated Ind AS financial statements.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated FFC Accounts based on our audit. We conducted our audit in accordance with the Group referral instructions issued by you and with the International Standards on Auditing. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated FFC Accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated FFC Accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated FFC Accounts, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation of the Consolidated FFC Accounts that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation and disclosures of the Consolidated FFC Accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated FFC Accounts.

**Independence Confirmation**

We are independent with respect to the parent company, any subsidiary or affiliated companies following the provisions of International Standards on Auditing.

a) Neither any of the partners of our firm, nor any of the staff members employed by our office doing the work on this engagement has any direct or material indirect financial interest in or indebtedness owning from the parent company, any subsidiary or affiliated companies.
b) None of the partners of our firm, nor any of the staff members employed by our office(s) doing the work on this engagement is connected with the parent company, any subsidiary or affiliated companies, as a promoter, underwriter, voting trustee, director, officer or employee.
c) To the best of our knowledge there are no other relationships or circumstances which would impair our independence with respect to the parent company or any subsidiary or affiliated companies.

**Opinion**

In our opinion, the Consolidated FFC Accounts have been prepared, in all material respects, in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act and the instructions received from Joint VP - Accounts are suitable for inclusion in the Consolidated Ind AS Financial Statements of DCM Shriram Limited.

We further state that there are no matters that, in our judgment, need to be reported to you.

**Report on Other Legal and Regulatory Requirements**

We report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Consolidated FFC Accounts dealt with by this report is in agreement with the books of account.

(d) With respect to other matters to be included in the Auditor's Report, in our opinion and to the best of our information and according to explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated FFC Accounts;

ii) The Company did not have any material foreseeable losses on long-term contracts including derivative contract.

**Limitation on Use**

This report is intended solely for the use of Deloitte Haskins & Sells in connection with the audit of the Consolidated Ind AS Financial Statements of DCM Shriram Limited and should not be used for any other purpose.

Morison (Mauritius)

**Morison (Mauritius)**
***Chartered Certified Accountants***

**Pudmanee R Beeharry, FCCA** *(Licensed by FRC)*
***Signing Partner***

Date: 28 APR 2017

Port Louis, Mauritius

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2017

| | Notes | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and equipment | 2.8 | 628,527 | 692,848 |
| Capital work -in- progress | | 213,598 | 134,960 |
| Investment property | | - | - |
| Goodwill | 2.8 | 9,842,043 | 9,842,046 |
| Other intangible assets | 2.8 | 171,476 | 134,579 |
| | | 10,855,644 | 10,804,433 |
| Financial assets | | | |
| Investments | | - | - |
| Loans | 2.10 | 434,698 | 440,902 |
| Deferred tax assets (net) | 2.9 | 255,591 | 566,640 |
| Other non-current assets | | 1,454 | 2,154 |
| | | 11,547,387 | 11,814,130 |
| Current assets | | | |
| Inventories | 2.11 | 3,697,513 | 5,583,846 |
| Financial assets | | | |
| Investments | | | |
| Trade receivables | 2.12 | 4,233,906 | 7,584,748 |
| Cash and cash equivalents | 2.13 | 1,814,353 | 1,238,457 |
| Loans | 2.14 | 131,970 | 363,053 |
| Others | | - | - |
| Current tax assets (net) | | | |
| Other current assets | 2.15 | 814,697 | 1,585,534 |
| Assets held for sale | | | |
| | | 10,692,439 | 16,355,638 |
| Total | | 22,239,826 | 28,169,768 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity Share capital | 2.1 | 2,435,541 | 2,435,541 |
| (b) Other Equity | | | |
| (i) Equity Component of other financial instruments | | | |
| (ii) Retained earnings | 2.2 | (21,800,160) | (14,502,794) |
| (iii) Reserves | | | |
| - Reserves representing unrealised gains/losses | | | |
| - Other reserves | 2.2 | 11,950,146 | 11,638,321 |
| (iv) Money received against share warrants | | | |
| (v) Others | | | |
| Minority Interest | | 5,759,974 | 5,759,974 |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 2.3 | 6,016,405 | 58,733 |
| (ii) Trade payables | | | |
| (iii) Other Financial liabilities | | | |
| (b) Provisions | | | |
| (c) Deferred tax liabilities (net) | | | |
| (d) Other non-current liabilities | | | |
| Current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 2.4 | 10,628,320 | 12,661,184 |
| (ii) Trade payables | 2.5 | 3,827,438 | 6,386,655 |
| (iii) Other Financial liabilities | 2.60 | 2,972,542 | 1,990,954 |
| (b) Other current liabilities | 2.7 | 408,144 | 1,717,303 |
| (c) Provisions | | | |
| (d) Current tax liabilities (net) | 2.7.1 | 41,476 | 23,897 |
| Liabilities associated with group of assets held for disposal | | | |
| | | 22,239,826 | 28,169,768 |

The accountingpolicies and notes on pages 7 to 10 form an integral part of these financial statements

Per our attached
For Morison (Mauritius)
Chartered Certified Accountants

Padmanee R Bechairy (FCCA)
Date 28 APR 2017

Poovazhagan Soobramanien
Director

**BIOSEEDS LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**
**FOR THE YEAR ENDED MARCH 31, 2017**



| | Notes | YEAR ENDED MARCH 31,2017 USD | YEAR ENDED MARCH 31,2016 USD |
|---|---|---|---|
| **Revenue from operations** | | | |
| Sale of products | 2.15 | 9,218,096 | 7,741,071 |
| other income | 2.16 | 18,952 | 292,746 |
| **Total Revenue** | | 9,237,048 | 8,033,817 |
| **Expenditure** | | | |
| Cost of materials consumed | 2.17 | 3,366,900 | 3,829,008 |
| Purchases of Stock-in-Trade | | - | 314,746 |
| Change in inventories of finished goods,Work-in-progress and Stock-in-Trade | 2.18 | 1,855,045 | (181,932) |
| Employee benefits expense | 2.19 | 4,215,909 | 3,972,975 |
| Finance costs | 2.20 | 1,473,944 | 1,061,848 |
| Depreciation | 2.8 | 347,004 | 414,938 |
| Other expenses | 2.21 | 4,934,984 | 5,434,386 |
| | | 16,193,786 | 14,845,970 |
| **(Loss) before tax** | | (6,956,738) | (6,812,154) |
| Tax expense:- | | | |
| Current tax | | 45,726 | 22,169 |
| Tax pertains to prior year | | (12,211) | (38,561) |
| Deferred tax | | 307,113 | (8,894) |
| **(Loss) after tax** | | (7,297,366) | (6,786,868) |

The accountingpolicies and notes on pages 7 to 10 form an integral part of these financial statements

Per our attached
For Morison (Mauritius)
Chartered Certified Accountants

Padmanee R Beehuiry (FCCA)
Date 28 APR 2017

Poovazhagan Soobrmanien
Director

**BIOSEEDS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2017**

| | | YEAR ENDED MARCH 31, 2017 | YEAR ENDED MARCH 31, 2016 |
|---|---|---|---|
| | | USD | USD |
| A. | **Cash flow from operating activities** | | |
| | Net profit before tax but after extraordinary items | | |
| | Net profit for the year before tax and extra ordinary items | (6,956,738) | (6,812,163) |
| | *Adjustments for :* | | |
| | Depreciation | 347,004 | 414,938 |
| | Unrealised exchange differences | 0 | - |
| | (Profit )/ Loss on sale of fixed assests | | |
| | Provision for Doubtful Debts | 130,668 | 358,176 |
| | Exchange differences on conversion | 335,338 | (661,833) |
| | Finance cost | 1,473,944 | 1,062,280 |
| | Less: interest income | 2,706 | - |
| | ***Operating profit before working capital changes*** | **(4,667,078)** | **(5,638,603)** |
| | *Adjustments for :* | | |
| | Increase/ (decrease) in trade payables | (2,559,217) | (2,665,232) |
| | Increase/ (decrease) in short term provisions | - | - |
| | Increase/ (decrease) in other current liabilities | (1,309,159) | 1,465,628 |
| | Decrease/ (increase) in inventories | 1,886,333 | (414,850) |
| | Decrease/ (increase) in trade receivables | 3,220,175 | 2,661,147 |
| | Decrease/ (increase) in long term loans and advances | 6,904 | (238,706) |
| | Decrease/ (increase) in short term loans and advances | 1,001,918 | (1,007,534) |
| | ***Cash generated from operations*** | **(2,420,123)** | **(5,838,150)** |
| | Income taxes (paid) | (15,936) | 2,043 |
| | **Net cash used in operating activities** | **(2,436,059)** | **(5,836,107)** |
| B. | **Cash flow from investing activities** | | |
| | Purchase of fixed assets | (416,924) | (405,135) |
| | Proceeds from sale of fixed assets | (866) | 5,893 |
| | Interest received | (2,706) | - |
| | **Net cash flow from investing activities** | **(420,495)** | **(399,241)** |
| C. | **Cash flow from financing activities** | | |
| | Loan from related companies | 4,461,334 | 1,074,743 |
| | Proceeds from/(Repayment) of long term loan | (30,498) | (29,709) |
| | Proceeds from/(Repayment) of short term loan | (517,244) | (280,474) |
| | Minority interest | - | 5,606,974 |
| | Interest paid | (481,140) | (269,367) |
| | **Net cash flow from financing activities** | **3,432,451** | **6,102,169** |
| | **Net increase/(decrease) in cash and cash equivalents** | **575,896** | **(133,179)** |
| | Cash and cash equivalents as at opening | | |
| | Cash on hand and balances with banks | 1,238,460 | 1,371,639 |
| | Cash and cash equivalents as at closing | | |
| | Cash on hand and balances with banks | **1,814,357** | **1,238,460** |

## 1. COMPANY AND SUBSIDIARIES PROFILES

Bioseeds Limited, the "Company" is a private company, limited by shares and incorporated in the Republic of Mauritius on 30th June 1998 under the Companies Act 1984 and was granted an offshore certificate on 31 December 1998 under Section 16(4) of the Mauritius Offshore Business Activities Act. Following the change in legislation, Bioseeds Limited is now a company holding a Category One Global Business Licence.

The principal activity of the company is to invest in companies engaged in the bioseeds business which include research, manufacture and sale of bioseeds and its registered office is at Minerva Fiduciary Services (Mauritius) Limited, Suite 2004, Level 2, Alexander House, 35 Cybercity, Ebene, Republic of Mauritius.

The Company owns the following subsidiary undertakings namely;

- Bioseed Vietnam Limited (100% Share Capital hold by Bioseed Holdings Pte Limited)
- Bioseed Research Philippines Inc. (100% Share Capital hold by Bioseed Holdings Pte Limited)
- Bioseed Holdings Pte Limited
- Shriram Bioseed ( Thailand) Limited (100% Share Capital hold by Bioseed Holdings Pte Limited)
- PT Shriram Seed Indonesia (95% Share Capital hold by Bioseed Holdings Pte Limited)
- PT Shriram Genetic Indonesia (49% Share Capital hold by Bioseed Holdings Pte Limited)

The profile of these subsidiaries are as follows;

Bioseed Vietnam Limited (BVL)) was established in the Socialist Republic of Vietnam on 27 July 1992 as a joint venture for a period of 20 years pursuant to Investment Licence No. 392/GP issued by the Ministry of Planning and Investment. BVL subsequently received approval from the People's Committee of Hanoi City to change its legal capital status from a joint venture to a 100% foreign invested company. The principal activity of BVL is to produce and trade in hybrid corn seeds.

Bioseed Research Philippines (BRP) was incorporated on 21st September 1993 for a period of 50 years in the Republic of Philippines in accordance with the Corporation code of the Philippines (Batas Pambasa Blg. 68) approved on 01st May 1980 and subsequently registered with Securities and Exchange Commission and under Foreign Investments Act 1991 as a 100% foreign owned company on 10th April 2000.The principal activity of BRP is to carry out research, production and distribution of commercial hybrid seeds.

Bioseed Holding Pte Limited (BHP) was incorporated on 17th December 2008 in Singapore under the Companies Act (Cap 50) as a private limited company. The principal activity of BHP is to carry out development and research on bioseed/hybrid seeds.

Shriram Bioseed (Thailand) Limited (SBTL) was incorporated as limited company under the Thai Civil and Commercial Code on June 16, 2006. The Company major operation is the distributor seeds, accessories for agriculture, import and export

PT Shriram Seed Indonesia (PT Seed) was established based on notarial deed of Adrian Djuiani S.H. No. 01 dated February 4, 2011. The deed of establishment was approved by the minister of justice of the republic of Indonesia. The principal activity of PT Seed is to carry out development and research on bioseed/hybrid seeds.

PT Shriram Genetic Indonesia (PT Seed) was established based on notarial deed of Adrian Djuiani S.H. dated October 9, 2012. The deed of establishment was approved by the minister of law and human rights of the republic of Indonesia. The principal activity of PT Seed is to engage in selection of seed sorting for cultivation.

# BIOSEEDS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED MARCH 31, 2017

### 2. ACCOUNTING POLICIES

The principal accounting policies adopted by the Company and the Group are as follows:

#### i) Basis of preparation

The Consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) which are primarily based on International Accounting Standard (IAS) adopted by the International Accounting Standard Board (IASB), under the historical cost convention as adjusted for the revaluation of investments. The preparation of financial statements in accordance with Ind AS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The financial statements are prepared in United States Dollars (USD).

#### ii) Turnover

Turnover represent the invoiced value of goods and services supplied by the Group and are recognised upon delivery of products and customer acceptance, if any, or performance of services, net discounts, excluding inter Group transactions.

Other revenues earned by the Group are recognised on the following bases:

- Royalty income – on an accrual basis in accordance with the substance of the relevant agreement.
- Interest and other income – as it accrues (taking into account the effective yield on the asset) unless collectability is in doubt.
- Dividend income – when the shareholder's right to receive payment is established.

There have been no significant changes in the principal trading activities of the Group since the previous financial year.

#### iii) Expense Recognition

Expenditure is recognised as they are incurred and recorded in the financial statements as on accrual basis, to accurately reflect the period to which they relate.

#### iv) Foreign Currencies

Assets and liabilities of subsidiaries, denominated in their local currencies are, translated into United States Dollars at closing rate of exchange ruling at the balance sheet date. Their trading results are translated into United States Dollars at average monthly rate of exchange ruling during the year. Any resulting exchange differences and retranslation of retained earnings to closing rates are taken to 'Conversion adjustment'.

Foreign currency transactions are translated at the exchange rates prevailing at the date of transactions and any difference in exchange resulting from the settlement of such transactions is recognised in the Income Statement.

# BIOSEEDS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED MARCH 31, 2017

## 2. ACCOUNTING POLICIES (CONT'D)

### v) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on weighted average basis method. The Cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

### vi) Property, Plant and equipment

All property, plant and equipment are stated at cost net of accumulated depreciation and any impairment losses. Depreciation is provided for on a straight-line method so as to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives at the following annual rates as follows:

| | |
|---|---|
| Buildings and improvements | 20% |
| Leasehold improvements | 10% |
| Furniture, fixture & fittings and office equipment | 10%-33.33% |
| Research equipment | 10% |
| Plant and machinery | 10%-20% |
| Motor vehicles | 10%-20% |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

### vii) Basis of consolidation

The consolidated financial statements include the Balance Sheet of the Company and that of its subsidiaries as at 31st December 2016. Subsidiary undertakings are those companies in which the Group, directly or indirectly, has power to exercise control over financial and operational policies. Significant intra-group balances and transactions are eliminated on consolidation. Unrealised losses/profits on stocks transferred among the Group Companies and still held at balance sheet date are eliminated upon consolidation.

### viii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank.

### ix) Obligations under finance lease

Obligations under finance leases where in substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease as incurred.

# BIOSEEDS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D) FOR THE YEAR ENDED MARCH 31, 2017

### x) Leased assets

Assets held under finance leases are capitalised and included in property, plant and equipment at fair value. Each asset is depreciated over the shorter of the lease term or its useful life. Obligations related to finance leases, net of finance charges in respect of future periods, are included as appropriate within borrowings. The interest element of the rental obligation is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remaining balance of obligation for each accounting period.

### xi) Goodwill

On acquisition of subsidiaries, the fair value of net assets is assessed and adjustments, if any, are made to bring the accounting policies of businesses acquired into alignment with those of the Group. During the year, the Company has decided to test goodwill for impairment loss, if any, instead of amortising it over a period of ten years as was being hitherto done.

### xii) Borrowings costs

Borrowings costs are recognised as expenses in the period in which they are incurred.

### xiii) Related Parties

Related party transactions, their nature and types have been disclosed in note 12 on page 20. Related parties are those parties that are subject to indirect or direct common control and significant influence by another party in making financial and operating decisions. However per IAS 24 (Related Party Disclosures) no disclosures are required for intragroup transactions.

### xiv) Impairment

Financial assets are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such conditions exist, the asset's recoverable amount is estimated.

Any impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

### xv) Provisions`

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

AS AT MARCH 31, 2017

| 2.1 Share Capital | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|
| **ISSUED AND FULLY PAID** | | |
| Ordinary shares of USD 1 each (Class B) | **1,128,490** | 2,303,041 |
| Ordinary shares of USD 1 each (Class A) | **1,174,551** | - |
| Preference Shares | **132,500** | 132,500 |
| Total | **2,435,541** | 2,435,541 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

AS AT MARCH 31, 2017

| 2.2 Other Equity | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|
| **(a) Surplus in Statement of Profit and loss** | | |
| Opening balance | **(14,502,794)** | (7,715,926) |
| Add: Loss during the year | **(7,297,366)** | (6,786,868) |
| | **(21,800,160)** | **(14,502,794)** |
| **(b) Foreign currency translation reserve** | | |
| Opening balance | **(1,479,179)** | (913,049) |
| Additions/ (deductions) | **311,825** | (566,130) |
| | **(1,167,354)** | (1,479,179) |
| **(c)Securities Premium Account** | | |
| Opening balance | 13,117,500 | - |
| Add: Movement-Preference shares at USD 99 each | - | 13,117,500 |
| | **13,117,500** | 13,117,500 |
| | **(9,850,014)** | **(2,864,473)** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

| 2.3 Long Term Borrowings | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|
| **UNSECURED** | | |
| Finance Lease Liability | 39,452 | 58,733 |
| Loans from related party | 5,976,953 | - |
| | 6,016,405 | 58,733 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
AS AT MARCH 31, 2017

| | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| **2.4 Borrowings** | | |
| **Secured** | | |
| Loan from banks | - | - |
| | - | - |
| **Unsecured** | | |
| Loans from related party | 10,465,000 | 11,980,619 |
| Loan from banks | 163,320 | 680,564 |
| | **10,628,320** | 12,661,183 |
| | **10,628,320** | 12,661,183 |
| **2.5 Trade Payables** | | |
| Trade payables- others | 3,111,947 | 3,121,686 |
| Trade Payables - related company | 715,491 | 3,264,969 |
| | **3,827,438** | 6,386,655 |
| **2.6 Other Financial liabilities** | | |
| Current maturities of finance lease obligations | 18,987 | 30,203 |
| Interest accrued but not due | 2,953,555 | 1,960,751 |
| | **2,972,542** | 1,990,954 |
| **2.7 Other current liabilities** | | |
| Statutory dues | 36,472 | 19,287 |
| Other payables | 371,672 | 1,698,017 |
| | **408,144** | 1,717,304 |
| **2.7.1 Provisions** | | |
| Corporate taxation | 41,476 | 23,897 |
| | **41,476** | 23,897 |
| **Total** | **14,905,378** | 20,789,039 |

**BIOSEEDS LIMITED**

(in USD)

**2.8 FIXED ASSETS**

AS AT MARCH 31, 2017

| | Leasehold Improvements | Buildings | Motor Vehicles | Plant and Machinery | Furniture fixtures and fittings | Office equipment | Goodwill | Leased Vehicles | Software | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **COST** | | | | | | | | | | |
| As at March 31, 2016 | 921 | 522,272 | 416,003 | 1,656,137 | 98,330 | 224,211 | 10,885,718 | 292,862 | 214,827 | **14,311,281** |
| Additions | - | 121,871 | 27,451 | 59,879 | 3,197 | 8,568 | - | 28,078 | 89,248 | **338,292** |
| Additions on acquisition of subsidiary | - | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | 6,423 | - | - | - | - | 13,831 | - | **20,254** |
| Transfer on sale | - | - | - | - | - | - | - | - | - | - |
| Difference on exchange | - | (23,640) | (18,182) | (77,248) | (4,870) | (13,152) | - | (22,700) | (5,276) | **(165,068)** |
| **As at March 31, 2017** | **921** | **620,503** | **418,849** | **1,638,768** | **96,657** | **219,627** | **10,885,718** | **284,409** | **298,799** | **14,464,251** |
| **DEPRECIATION** | | | | | | | | | | |
| As at March 31, 2016 | 921 | 364,087 | 285,165 | 1,348,762 | 97,174 | 171,022 | 1,043,675 | 250,754 | 80,247 | **3,641,807** |
| Charge for the half year | - | 67,280 | 45,264 | 132,542 | 7,658 | 22,939 | - | 19,999 | 51,328 | **347,010** |
| Difference on exchange | - | (16,898) | (25,617) | (59,834) | (18,660) | (565) | - | (19,665) | (4,253) | **(145,492)** |
| Depreciation on disposals | - | - | (6,698) | - | - | - | - | (14,422) | - | **(21,120)** |
| **As at March 31, 2017** | **921** | **414,469** | **298,114** | **1,421,470** | **86,172** | **193,396** | **1,043,675** | **236,666** | **127,322** | **3,822,205** |
| **NET BOOK VALUES** | | | | | | | | | | |
| **As at March 31, 2017** | **-** | **206,034** | **120,735** | **217,298** | **10,485** | **26,231** | **9,842,043** | **47,743** | **171,477** | **10,642,046** |
| As at March 31, 2016 | - | 158,185 | 130,838 | 307,375 | 1,156 | 53,189 | 9,842,043 | 42,108 | 134,580 | **10,669,474** |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

AS AT MARCH 31, 2017

| 2.9 DEFERRED TAX ASSETS/LIABILITII | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|
| **Deferred Tax Assets** | | |
| Unabsorbed business loss | **58,221** | 299,124 |
| Provision for Doubtful Debts | - | 59,586 |
| Provision for Decline in Inventory | - | 9,301 |
| Net provision of sales return | - | 25,007 |
| Technical Transfer Fees | - | 153,727 |
| Others | **197,370** | 19,895 |
| | **255,591** | 566,640 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
AS AT MARCH 31, 2017

| | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|
| **2.10 Loans** | | |
| Loan | **420,500** - | 420,500 |
| deposits | **14,198** - | 20,402 |
| | - | |
| | **434,698** | 440,902 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
AS AT MARCH 31, 2017

| | AS AT MARCH 31,2017 USD | AS AT MARCH 31,2016 USD |
|---|---|---|
| **2.11 INVENTORIES** | | |
| Finished goods | **1,474,729** | 2,904,349 |
| Work in progress | **927,304** | 1,352,728 |
| Raw materials | **757,573** | 792,413 |
| Stores and spares | **537,907** | 534,356 |
| | **3,697,513** | 5,583,846 |
| **2.12 TRADE RECEIVABLES** | | |
| **Unsecured considered good** | | |
| Due from affiliates | **3,936** | - |
| Due for more than six months | **1,293,333** | 1,645,609 |
| Unsecured more than six months - Doubtful | **1,751,497** | 1,422,314 |
| Other debts | **2,936,637** | 5,939,140 |
| Less: Provision for doubtful debtors | **1,751,497** | 1,422,314 |
| | **4,233,906** | 7,584,749 |
| **2.13 CASH AND BANK BALANCES** | | |
| **Cash and cash equivalents** | | |
| Cash in hand | **3,174** | 15,921 |
| Balance with current accounts | **1,466,031** | 705,807 |
| Balances with deposit accounts | **345,148** | 289,341 |
| Fixed Deposits > 3 Months & < 12 Months | - | 227,388 |
| | **1,814,353** | 1,238,457 |
| **2.14 LOANS** | | |
| Advances to related company | **779** | - |
| Deposits | **10,996** | 17,267 |
| Employee advances | **120,195** | 345,785 |
| | **131,970** | 363,052 |
| **2.15 OTHERS** | | |
| Interest accrued | - | - |
| | - | - |
| **2.15 OTHER CURRENT ASSETS** | | |
| Advances recoverable in cash or in kind | **606,654** | 1,371,263 |
| Prepayments and others | **208,047** | 214,274 |
| | **814,701** | 1,585,537 |
| **Total** | 10,692,443 | 16,355,641 |

BIOSEEDS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED MARCH 31, 2017

| | | YEAR ENDED MARCH 31,2017 USD | YEAR ENDED MARCH 31,2016 USD |
|---|---|---|---|
| 2.15 | **Revenue from operations** | | |
| | Sale of products | 9,218,096 | 7,741,071 |
| | | 9,218,096 | 7,741,071 |
| 2.16 | **Other income** | | |
| | Excess provision write back | (784) | 141,523 |
| | Interest income | (2,006) | - |
| | Miscellaneous income | 21,742 | 151,223 |
| | | 18,952 | 292,746 |
| | Total | 9,237,048 | 8,033,817 |
| 2.17 | **Raw materials consumed** | | |
| | Raw materials consumed | 3,366,900 | 3,829,008 |
| | Damage Expense-Seed Discard | - | - |
| | | | - |
| | | 3,366,900 | 3,829,008 |
| 2.18 | **(INCREASE)/ DECREASE IN STOCK OF FINISHED GOODS AND PROCESS STOCK AND STOCK IN TRADE** | | |
| | Opening stock | 4,257,078 | 4,075,146 |
| | Closing stock | 2,402,033 | 4,257,078 |
| | Less: Translation difference transferred to FCTR | - | - |
| | | | - |
| | | 1,855,045 | (181,932) |
| 2.19 | **Employee benefit expense** | | |
| | Services from contractors | - | 2,522 |
| | Salaries, wages, bonus, gratuity, commission, etc. | 4,214,902 | 3,969,460 |
| | Provident and other funds | - | - |
| | Welfare | 1,007 | 994 |
| | | 4,215,909 | 3,972,976 |
| 2.20 | **Finance cost** | | |
| | Interest expense | 1,115,947 | 1,061,848 |
| | Exchange fluctuation (net) | 357,998 | - |
| | | 1,473,945 | 1,061,848 |
| 2.21 | **Other Expenses** | | |
| | Stores, spares and components | 212,443 | 221,932 |
| | Power, fuel, etc. | 53,071 | 105,235 |
| | Repairs to plant and machinery | 10,690 | 11,077 |
| | Rent paid | 226,429 | 236,085 |
| | Insurance | 19,363 | 25,111 |
| | Donation | - | 1,319 |
| | Rates and taxes | 35,761 | 42,717 |
| | Auditors' remuneration | 21,729 | 55,528 |
| | Provision for doubtful debts | 130,668 | 358,176 |
| | Bad debts and advances written-off | 267,425 | 10,653 |
| | Research and development expenses | 151,049 | 148,190 |
| | Freight and transport | 454,976 | 222,365 |
| | Selling expenses | 536,153 | 782,239 |
| | Exchange fluctuation (net) | 85,994 | 34,407 |
| | Travelling and conveyance | 556,140 | 782,432 |
| | Communication | 66,040 | 68,930 |
| | Bank Charges & Commission | 4,145 | 7,226 |
| | Miscellaneous expenses | 2,102,909 | 2,320,764 |
| | Prior QUARTER exp | - | - |
| | | 4,934,985 | 5,434,386 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
AS AT MARCH 31, 2017

| | YEAR ENDED MARCH 31,2017 USD | YEAR ENDED MARCH 31,2016 USD |
|---|---|---|
| **12 TRANSACTIONS WITH RELATED COMPANY** | | |
| Purchases from Shriram Bioseeds Genetics (Unit of DCM Shriram) | **816,180** | 1,034,877 |
| Interest expense on loan from SBVL | **797,600** | 797,602 |
| Interest expense on loan from SBLM | | |
| Amount due to Shriram Bioseeds Genetics (Unit of DCM sh | **639,961** | 3,191,181 |
| Loan Payable to SBVL | **13,193,453** | 12,396,159 |
| Amount due to Corporate ( Division of DCM shriram) | **6,276,222** | 1,618,999 |
| Interest expense to Corporate ( Division of DCM shriram) | **282,373** | 176,486 |
| Investment by DCM Shriram | **5,250,000** | 5,250,000 |
| | **27,255,789** | 24,465,303 |