**Annexure B (Part –I)**

**Format of an unqualified audit opinion on a individual subsidiary of DCM SHRIRAM LIMITED**

**Independent Auditors' Report of Bioseed Research Philippines, Inc. to Deloitte Haskins & Sells, auditors of DCM SHRIRAM LIMITED.**

**Report on the Fit for Consolidation (FFC) Accounts**

We have audited the attached balance sheet of Bioseed Research Philippines, Inc. as at March 31, 2017 and the statement of profit and loss account and the cash flow statement of the Company for the year then ended and other reconciliation and information (all collectively referred to as the Fit for Consolidation (FFC) Accounts). The FFC Accounts shows a net loss of 2,370,404.28 USD, total assets of 4,255,537.32 USD, and total equity of 6,277,540.03 USD.

**Management's Responsibility for FFC Accounts**

Management is responsible for the preparation of the FFC Accounts in accordance with the recognition and measurement criteria of Indian GAAP and the disclosure and presentation requirements of the Group as contained in the FFC Accounts and accounting policies disclosed by the Company. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation of the FFC Accounts that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with the recognition and measurement criteria of Indian GAAP and the disclosure and presentation requirements of the Group as contained in the FFC Accounts and accounting policies disclosed by the Company; and making accounting estimates that are reasonable in the circumstances. The FFC Accounts has been prepared solely to enable DCM Shriram Limited to prepare its consolidated financial statements.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the FFC Accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers the internal controls relevant to the Group's preparation and presentation of the 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 Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

These FFC Accounts have been prepared solely to enable DCM SHRIRAM LIMITED to prepare its Consolidated Financial Statements in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2006 and not to report on Bioseed Research Philippines, Inc. as a separate entity. Accordingly, these FFC Accounts are not intended to present a true and fair view of the balance sheet of Bioseed Research Philippines, Inc. as at March 31, 2017 and of the Statement of Profit and loss and cash flows for the year then ended in accordance with generally accepted accounting principles in India.

**Independence Confirmation**

We are independent with respect to the parent company, any subsidiary or affiliated companies following the provisions of International Standards on Auditing/ the Chartered Accountant Act, 1949 (as applicable)

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, these FFC Accounts have been prepared, in all material respects, in conformity with accounting principles of DCM SHRIRAM LIMITED and the instructions received from GM - Accounts and are suitable for inclusion in the Consolidated Financial Statements of DCM SHRIRAM LIMITED prepared in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2006.

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

OTHER MATTERS

(i) These FFC account contains/disclose the impact of pending litigations, if any.
(ii) These FFC account did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

Efren F. Sabado, C.P.A
April 17, 2017
General Santos City

BIOSEED RESEARCH PHILIPPINES, INC
GENERAL SANTOS CITY, PHILIPPINES

PROFIT AND LOSS ACCOUNT as of March 31, 2017

| | | Schedule | As of 31-Mar-17 US$ | As of 31-Mar-16 US$ |
|---|---|---|---|---|
| Income | Sale of products and other income | 7 | 6,915,405.24 | 3,398,600.04 |
| Expenditure | Manufacturing and other expenses | 8 | 8,463,524.26 | 6,358,333.45 |
| | Profit for the year before depreciation, interest and tax | | (1,548,119.02) | (2,959,733.41) |
| | Interest | 9 | 617,162.36 | 493,384.50 |
| | Depreciation | 10 | 179,656.38 | 182,635.07 |
| | Profit for the year before tax | | (2,344,937.76) | (3,635,752.98) |
| | Provision for current tax | | 37,677.64 | 12,701.41 |
| | Tax provision for earlier tax | | (12,211.12) | (38,561.28) |
| | Profit after tax | | (2,370,404.28) | (3,609,893.11) |
| | Notes to the financial statements | 11 | | |

Per my report attached to the financial statements
for EF SABADO ACCOUNTING & CONSULTANCY

EFREN F. SABADO, C.P.A.
Independent Auditor

General Santos City
April 17, 2017

PARESH K. VERMA
JITENDER K. JAIN
ARNEL D. NAIDAS
ROMUALDO C. DELOS SANTOS
AURELIO B. CLITAR
Directors

DEVADATTA RAVINDRA RAO SIRDESHPANDE
General Manager

BIOSEED RESEARCH PHILIPPINES, INC.
GENERAL SANTOS CITY, PHILIPPINES

BALANCE SHEET as at March 31, 2017

| | | Schedule | As at 31-Mar-17 US$ | As at 31-Mar-16 US$ |
|---|---|---|---|---|
| **Sources of Funds** | **Shareholder's funds** | | | |
| | Share capital | 1 | **1,921,937.77** | 1,161,979.77 |
| | Reserves and surplus | 2 | **(8,199,477.80)** | (5,829,161.37) |
| | | | **(6,277,540.03)** | (4,667,181.60) |
| | Cumularive translation adjustment | | **199,989.81** | (265,764.01) |
| | **Loan funds** | 3 | | |
| | Secured | | | |
| | Unsecured | | **7,617,393.35** | 7,906,699.87 |
| | | | **7,617,393.35** | 7,906,699.87 |
| | **Total funds employed** | | **1,539,843.12** | 2,973,754.26 |
| **Application of Funds** | **Fixed assets** | 4 | | |
| | Gross Block | | **1,926,356.74** | 1,777,431.78 |
| | Less: Depreciation | | **1,486,383.09** | 1,446,464.10 |
| | Net block | | **439,973.65** | 330,967.68 |
| | Capital work in progress | | **213,598.01** | 134,959.56 |
| | | | **653,571.66** | 465,927.24 |
| | **Current assets, loans and advances** | 5 | | |
| | Inventories | | **1,551,160.24** | 2,169,905.50 |
| | Sundry debtors | | **851,247.05** | 2,469,049.59 |
| | Cash and bank balances | | **570,746.73** | 745,687.94 |
| | Loans and advances | | **628,811.65** | 497,336.80 |
| | | | **3,601,965.67** | 5,881,979.83 |
| | **Less: Current liabilities and provisions** | 6 | | |
| | Current liabilities | | **2,715,694.20** | 3,374,152.81 |
| | | | **2,715,694.20** | 3,374,152.81 |
| | Net current assets | | **886,271.46** | 2,507,827.03 |
| | **Total funds utilized** | | **1,539,843.12** | 2,973,754.26 |
| | Notes to the financial statements | 11 | | |

Per my report attached to the
financial statements
for **EF SABADO ACCOUNTING & CONSULTANCY**

**PARESH K. VERMA**
**JITENDER K. JAIN**
**ARNEL D. NAIDAS**
**ROMUALDO C. DELOS SANTOS**
**AURELIO B. CLITAR**
**Directors**

**DEVADATTA RAVINDRA RAO SIRDESHPANDE**
General Manager

**EFREN F. SABADO, C.P.A.**
Independent Auditor

General Santos City
April 17, 2017

BIOSEED RESEARCH PHILIPPINES, INC.
GENERAL SANTOS CITY, PHILIPPINES

CASH FLOW STATEMENT AS OF March 31, 2017

| | As of 31-Mar-17 US $ | As of 31-Mar-16 US $ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net profit before tax | (2,524,796.36) | (3,618,409.36) |
| Adjustments for: | | |
| Depreciation | 179,656.38 | 182,645.72 |
| Cummulative translation adjustment | 39,373.62 | (13,660.88) |
| Operating profit before working capital changes | (2,305,766.36) | (3,649,424.52) |
| Changes in Assets & Liabilities: | | |
| Decrease/ (Increase) in: | | |
| Receivables | 1,426,420.47 | 2,275,966.57 |
| Inventories | 450,550.60 | (478,498.34) |
| Loans & advances | (170,024.64) | 135,471.42 |
| Increase/ (Decrease) in: | | |
| Trade and other payables | (396,724.90) | (1,433,587.38) |
| Income and other taxes payable | | |
| **Cash generated from operations** | (995,544.83) | (3,150,072.25) |
| Income tax | (25,466.52) | 25,859.86 |
| **Net cash from operating activities** | (1,021,011.35) | (3,124,212.38) |
| **Cash flow from investing activities** | | |
| (Addition)/Reduction to Fixed Assets & Capital | 522,509.08 | 37,296.96 |
| **Net cash used in investing activities** | 522,509.08 | 37,296.96 |
| **Cash flow from financing activities** | | |
| Changes to Loan funds | 323,561.06 | 3,362,799.60 |
| **Net cash used in financing activities** | 323,561.06 | 3,362,799.60 |
| **Net increase/ (decrease) in cash and cash equivalents** | (174,941.21) | 275,884.18 |
| **Cash and cash equivalents** | | |
| Beginning of the year (April 01, 2016) | 745,687.94 | 469,803.76 |
| End of 12 months (March 31, 2017) | 570,746.73 | 745,687.94 |

Per my report attached to the
financial statements
for **EF SABADO ACCOUNTING & CONSULTANCY**

**EFREN F. SABADO, C.P.A.**
Independent Auditor

General Santos City
Independent Auditor

**PARESH K. VERMA**
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**AURELIO B. CLITAR**
**Directors**

**DEVADATTA RAVINDRA RAO SIRDESHPANDE**
General Manager

BIOSEED RESEARCH PHILIPPINES, INC
GENERAL SANTOS CITY, PHILIPPINES

**SCHEDULES TO THE ACCOUNTS**

| | | As at 31-Mar-17 | As at 31-Mar-16 |
|---|---|---|---|
| 1 SHARE CAPITAL | | US$ | US$ |
| | **AUTHORIZED** | | |
| | 500,000 equity shares of Pesos 100/- each | 1,478,852.41 | 1,478,852.41 |
| | Subscribed and Paid-up 406,873 equity shares of Pesos 100/- each fully paid-up | 1,161,979.77 | 1,161,979.77 |
| | Adjustment (Forex Adjustment for 2016 Share Application Money) | | |
| | Total | 1,161,979.77 | 1,161,979.77 |
| | Share Application Money | 759,958.00 | |
| | Total | 1,921,937.77 | 1,161,979.77 |
| 2 RESERVES AND SURPLUS | | | |
| | Profit brought forward | (5,829,073.52) | (2,219,268.26) |
| | Profit and loss account | (2,370,404.28) | (3,609,893.11) |
| | | (8,199,477.80) | (5,829,161.37) |
| 3 LOAN FUNDS | | | |
| | **Secured** | - | - |
| | **Unsecured** | | |
| | Finance lease liability | 58,438.83 | 88,936.47 |
| | Others | 7,558,954.51 | 7,817,763.39 |
| | | 7,617,393.35 | 7,906,699.87 |
| 5 CURRENT ASSETS LOANS AND ADVANCES | | | |
| | **Current Assets** | | |
| | Inventories | | |
| | Finished goods | 284,846.17 | 439,350.13 |
| | Work-in-process | 927,303.98 | 1,352,727.92 |
| | Miscellaneous inventory | 339,010.09 | 377,827.46 |
| | Provision for decline in inventory value | - | - |
| | | 1,551,160.24 | 2,169,905.51 |
| | Sundry debtors | | |
| | Debts over six months | | |
| | Secured - considered good | - | - |
| | Unsecured - considered good | 1,515,496.53 | 1,107,677.34 |
| | - considered doubtful | - | - |
| | Other debts | | |
| | Secured - considered good | - | - |
| | Unsecured - considered good | | 1,742,835.01 |
| | | 1,515,496.53 | 2,850,512.34 |
| | Less: Provision for doubtful debts | 700,985.76 | 496,170.86 |
| | | 814,510.76 | 2,354,341.49 |
| | Trade Debtors - Affiliates | 36,736.28 | 114,708.10 |
| | | 851,247.05 | 2,469,049.59 |
| | Cash and bank balances | | |
| | With scheduled banks on | | |
| | Current account | 225,598.45 | 456,347.40 |
| | Deposit account | 345,148.28 | 289,340.54 |
| | | 570,746.73 | 745,687.94 |
| | **Loans and Advances** | | |
| | Advances recoverable in cash or kind or for value to be received | 429,234.80 | 269,021.16 |
| | Deposits | 14,046.40 | 23,823.18 |
| | Prepaid expenses | 185,530.45 | 204,492.47 |
| | | 628,811.65 | 497,336.80 |

SCHEDULES TO THE ACCOUNTS (Continued)

| | | As at 31-Mar-17 US$ | As at 31-Mar-16 US$ |
|---|---|---|---|
| 6 CURRENT LIABILITIES AND PROVISIONS | | | |
| | **Current Liabilities** | | |
| | Sundry creditors | | |
| | Trade creditors - Affiliates | **205,675.04** | 1,120,895.16 |
| | Trade creditors - Others | **2,237,209.74** | 1,731,842.52 |
| | Accrued expenses | **236,676.23** | 525,507.54 |
| | Income tax payable | **36,133.20** | (4,092.40) |
| | | **2,715,694.20** | 3,374,152.82 |
| 7 SALE OF PRODUCTS AND OTHER INCOME | | | |
| | **Sale of products** | | |
| | - Local | **6,897,056.06** | 3,329,577.99 |
| | - Exports | - | - |
| | **Other Income** | | |
| | - Miscellaneous | **18,349.18** | 69,022.05 |
| | | **6,915,405.24** | 3,398,600.04 |
| 8 MANUFACTURING AND OTHER EXPENSES | | | |
| | Direct manufacturing expense | **4,426,815.55** | 4,051,776.32 |
| | Research and development expense | **306,408.93** | 250,179.68 |
| | Shipping & freight | **116,549.72** | 105,160.31 |
| | Salaries, benefits, bonus, etc. | **762,036.68** | 749,836.05 |
| | Advertisement and promotion | **368,267.62** | 363,640.24 |
| | Travel and entertainment | **343,101.50** | 500,838.20 |
| | Other selling expense | **503,473.70** | 402,467.20 |
| | Office expense | **8,894.75** | 11,492.94 |
| | Professional expense | **21,593.15** | 56,840.78 |
| | Other administrative & misce. expense | **1,136,574.10** | 344,838.27 |
| | | **7,993,715.70** | 6,837,090.00 |
| | -Increase/+ Decrease In stocks of finished goods and process stocks | | |
| | Closing stocks | **1,551,160.24** | 2,169,905.51 |
| | Opening stocks | **2,020,968.80** | 1,691,148.97 |
| | | **8,463,524.26** | 6,358,333.45 |
| 9 INTEREST | Interest - Others | **617,162.36** | 493,384.50 |
| | | **617,162.36** | 493,384.50 |
| | Less: Interest received * | - | - |
| | | **617,162.36** | 493,384.50 |
| 10 DEPRECIATION | | | |
| | Depreciation | **179,656.38** | 182,635.07 |
| | | **179,656.38** | 182,635.07 |

**General Santos City, Philippines**
**Chart of Accounts (With Grouping)**
**As of March 31, 2017**

| ACCOUNT HEAD | DEBIT | CREDIT |
|---|---|---|
| **Cash** | | |
| - Cash in Bank | | |
| - BPI C/A Peso | 782.02 | |
| - UB-Bank C/A Peso | 16,346.68 | |
| - AUB US$ S/A | 116,063.25 | |
| - AUB US$ TD/A | 229,085.03 | |
| - AUB C/A Peso | 188,211.63 | |
| - BDO C/A Peso | 20,258.12 | |
| Total | 570,746.73 | - |
| **Accounts Receivable - Trade** | | |
| AR Trade - | | |
| Debts over 6 months - | | |
| Secured - Considered Good | | |
| Unsecured - Considered Good | 1,515,496.53 | |
| - Considered doubtful | | |
| Other Debts | | |
| Secured - Considered Good | | |
| Unsecured - Considered Good | | |
| Less: Provision for Doubtful Debts | (700,985.76) | |
| Total - AR Trade | 814,510.76 | - |
| **Accounts Receivable - Others** | | |
| Advances to Suppliers & Others | 47,698.65 | |
| Less: Provision for Doubtful Debts | | |
| Advances Seed Growers | 354,036.32 | |
| Advances to employees | 27,499.82 | |
| AUB Hold | | |
| Total | 429,234.80 | - |
| **Prepaid Expenses** | | |
| Prepaid Expenses | 185,530.45 | |
| Total | 185,530.45 | - |
| **Others** | | |
| Deposits | 14,046.40 | - |
| Total | 14,046.40 | - |
| **Property and Equipment** | | |
| Bldgs. And Improvement | 376,930.48 | |
| Furniture & Fixtures | 71,745.52 | |
| Vehicle/ Motorcycles | 166,909.75 | |
| Machinery & Equipment | 779,670.53 | |
| Office Equipment | 157,445.44 | |
| Lease Fixed Assets - Vehicles | 284,407.20 | |
| Software | 89,247.81 | |
| Capital Work in Progress | 213,598.01 | |
| Total | 2,139,954.75 | - |
| | | |
| **Accumulated Depreciation** | | |
| Bldgs. And Improvement | | 199,147.04 |
| Furniture & Fixtures | | 65,134.92 |
| Vehicle/ Motorcycles | | 134,859.31 |
| Machinery & Equipment | | 699,860.45 |
| Lease Fixed Assets | | 236,667.90 |
| Office Equipment | | 141,969.25 |
| Software | | 8,744.22 |
| Total | - | 1,486,383.09 |
| **Notes Payable Short Term** | | |
| Notes Payable - Short Term | | 7,558,954.51 |
| Total | - | 7,558,954.51 |
| **Due from/ to Affiliates** | | |
| Due to Affiliates - SBGI | | 166,561.00 |
| Due to Affiliates - DCM SHRIRAM | | 2,220.00 |
| Due to Affiliates - SBTL | | 36,894.04 |
| Due from Affiliates - BGV | 23,369.02 | |
| Due from Affiliates - PT SHRIRAM | 13,367.26 | |
| Total | 36,736.28 | 205,675.04 |
| **Accounts Payable** | | |
| Accounts Payable - Trade | | 1,575,436.07 |
| Other Accounts Payable | | 639,203.60 |
| Accrued payroll taxes (taxes withheld) | | 17,301.46 |
| SSS/ MED/ EC Contribution | | 5,268.61 |
| Other Accrued Liabilities | | |
| Total | - | 2,237,209.74 |
| **Other Accounts Payable** | | |
| Lease Financing | | 58,438.83 |
| Total | - | 58,438.83 |
| **Accrued Expenses** | | |
| Accrued Expenses | | 236,676.23 |
| Total | - | 236,676.23 |
| **Accrued Corporate Income Tax** | | |
| Income Taxes Payable | | 36,133.20 |
| Accrued Corporate Income Tax | | |
| Total | - | 36,133.20 |
| **Stockholder's Equity** | | |
| Capital Stock | | 1,921,937.77 |

| | | |
|---|---|---|
| Total | - | 1,921,937.77 |
| **Retained Earnings** | | |
| Retained Earnings | | (5,829,073.52) |
| Total | - | (5,829,073.52) |
| **Inventory Ending** | | |
| Finished Goods Inventory | 284,846.17 | |
| Work in Progress | 927,303.98 | |
| Miscellaneous Inventory | 339,010.09 | |
| Less: | | |
| Provision for Decline in Inventory Valuation | | |
| Total | 1,551,160.24 | - |
| **Sales** | | |
| Local | | 6,897,056.06 |
| Exports | | |
| Sales Return/Adjustment/Discounts | | |
| Total | - | 6,897,056.06 |
| **Other Income** | | |
| Other Revenue | | 18,349.18 |
| Total | - | 18,349.18 |
| **Direct Wages & Benefits** | | |
| Direct Wages | 547,264.81 | |
| Total | 547,264.81 | - |
| **Production Overhead** | | |
| Seed Purchases | 2,495,511.91 | |
| Other Field Expenses | 289,057.44 | |
| Growers Compensation | 153,472.65 | |
| Seed Field Expenses | 294,242.33 | |
| Trucking | 11,406.75 | |
| Harvest Expense | 63,774.11 | |
| Bagging Expense | 107,845.65 | |
| Other Conditioning Expense | 904,503.52 | |
| Salaries & Benefits | 47,355.37 | |
| Benefits | 28,314.99 | |
| Advertising Expense | - | |
| Auto Expense | - | |
| Travel Expense | 33,584.19 | |
| Telephone | 3,235.68 | |
| Utilities | - | |
| Office Expenses | - | |
| General Expenses | 1,856.86 | |
| Insurance | (0.00) | |
| Postage | 296.04 | |
| Rent | 12,784.54 | |
| Interest Expense | - | |
| Depreciation | - | |
| Legal Expense | - | |
| Accounting | - | |
| Permit & License | - | |
| Training Expense | 103.76 | |
| Total | 4,447,345.77 | - |
| **Parent Seed Production** | | |
| Growers Compensation | 1,959.26 | |
| Fertilizer & Chemicals | 1,966.52 | |
| Seed Field Expenses | 2,423.68 | |
| Trucking | 551.50 | |
| Harvest Expense | 5,206.56 | |
| Bagging Expense | - | |
| Other Conditioning Expense | 16,490.46 | |
| Direct Wages | 946.98 | |
| Salaries & Benefits | 25,156.63 | |
| Benefits | 13,908.50 | |
| Advertising Expense | - | |
| Auto Expense | - | |
| Travel Expense | 12,164.76 | |
| Telephone | 1,188.85 | |
| Utilities | - | |
| Office Expenses | - | |
| General Expenses | 371.33 | |
| Insurance | (0.00) | |
| Postage | 110.54 | |
| Rent | 655.30 | |
| Interest Expense | - | |
| Depreciation | - | |
| Legal Expense | - | |
| Accounting | - | |
| Permit & License | - | |
| Training Expense | 245.90 | |
| Total | 83,346.76 | - |
| **Research & Development** | | |
| Other Field Expense | | |
| Growers Compensation | | |
| Seed Field Expense | | |
| Harvest Expense | | |
| Pollination Expense | | |
| Salaries & Benefits | 31,485.14 | |
| Benefits | 18,260.83 | |

| | | |
|---|---|---|
| Advertising Expense | - | |
| Auto Expense | - | |
| Travel Expense | 14,704.73 | |
| Telephone | 880.52 | |
| Utilities | 229.53 | |
| Office Expenses | (0.00) | |
| General Expenses | 214,983.69 | |
| Insurance | - | |
| Postage | 12.55 | |
| Rent | 25,851.95 | |
| Interest Expense | - | |
| Depreciation | - | |
| Legal Expense | - | |
| Accounting | - | |
| Permit & License | - | |
| Training Expense | - | |
| Total | 306,408.93 | - |
| | | |
| **Marketing Expenses** | | |
| Shipping / Freight | 116,549.72 | |
| Salaries & Benefits | 120,799.32 | |
| Benefits | 75,247.20 | |
| Advertising Expense | 368,267.62 | |
| Auto Expense | - | |
| Travel Expense | 164,756.41 | |
| Telephone | 15,624.20 | |
| Utilities | - | |
| Office Expenses | 0.00 | |
| General Expenses | 460,338.21 | |
| Insurance | 0.00 | |
| Postage | 1,267.53 | |
| Rent | 2,571.08 | |
| Interest Expense | - | |
| Depreciation | - | |
| Legal Expense | - | |
| Accounting | - | |
| Permit & License | 0.00 | |
| Training Expense | 23,672.69 | |
| Total | 1,349,093.97 | - |
| | | |
| **General & Administrative** | | |
| Salaries & Benefits | 373,196.73 | |
| Benefits | 78,057.94 | |
| Advertising Expense | - | |
| Auto Expense | 5,489.79 | |
| Travel Expense | 132,596.14 | |
| Telephone | 45,110.76 | |
| Utilities | 25,850.83 | |
| Office Expenses | 8,894.75 | |
| General Expenses | 52,179.71 | |
| Insurance | 12,635.28 | |
| Postage | 1,838.57 | |
| Rent | 39,138.58 | |
| Interest Expense | - | |
| Depreciation | - | |
| legal Expense | 19,632.17 | |
| Accounting | 1,960.98 | |
| Permit & License | 15,215.37 | |
| Training Expense | 1,956.29 | |
| Total | 813,753.89 | - |
| | | |
| Exchange Gain/ Loss | 648,885.43 | |
| Bad Debts | 267,424.70 | |
| Interest Expense | 617,162.36 | |
| Total | 1,533,472.49 | - |
| | | |
| **Finance & Admin. Expenses - Total** | | |
| Depreciation expense | | |
| Depreciation (CSP) | 84,085.50 | |
| Depreciation(PSP) | 1,355.78 | |
| Depreciation(ADMIN) | 52,546.91 | |
| Depreciation(MKTG) | 33,684.15 | |
| Depreciation(R&D) | 7,984.03 | |
| Total | 179,656.38 | - |
| | | |
| **Interest Income** | | |
| Interest Income | | |
| | | |
| Tax Provision for Earlier Tax | | 12,211.12 |
| Corporate Income Tax | 37,677.64 | |
| Total | 37,677.64 | 12,211.12 |
| | | |
| SUB TOTAL | 15,039,941.05 | 14,839,951.24 |
| | | |
| Cumulative Translation Adjustment | | 199,989.81 |
| | | |
| GRAND TOTAL | 15,039,941.05 | 15,039,941.05 |

# Bioseed Research Philippines, Inc.

## Fixed Asset Schedule

## March 31, 2017

FIXED ASSETS SCHEDULE - US$

| Description | GROSS BLOCK | | | | | DEPRECIATION | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as on 1-Apr-16 | Additions | Transfer/ Sale | Translation adjustment account | As at 31-Mar-17 | As on 1-Apr-16 | Additions | Written back | Translation adjustment account | As on 31-Mar-17 | As at 31-Mar-17 | As at 1-Apr-16 |
| **Owned Assets** | | | | | | | | | | | | |
| Building Improvements | 279,735.18 | 118,878.26 | - | (21,682.96) | 376,930.48 | (168,160.42) | (45,902.74) | - | 14,916.13 | (199,147.04) | 177,783.45 | 111,574.76 |
| Furniture & Fixtures | 74,308.61 | 3,196.75 | - | (5,759.84) | 71,745.52 | (86,121.96) | (4,315.11) | - | 5,302.16 | (85,134.92) | 6,610.60 | 8,186.65 |
| Motor Vehicles | 187,897.43 | (0.00) | (6,423.29) | (14,564.39) | 166,909.75 | (129,183.04) | (23,058.01) | 6,697.82 | 10,683.91 | (134,859.31) | 32,050.44 | 58,714.39 |
| Plant & Machinery | 780,272.11 | 59,879.22 | - | (60,480.79) | 779,670.53 | (688,536.67) | (67,459.17) | - | 56,135.38 | (699,860.45) | 79,810.08 | 91,735.44 |
| Office Equipments | 162,358.02 | 7,672.19 | - | (12,584.77) | 157,445.44 | (143,705.41) | (9,804.71) | - | 11,540.86 | (141,969.25) | 15,476.19 | 18,652.61 |
| CWIP | 134,959.56 | 231,044.78 | (141,945.28) | (10,461.04) | 213,598.01 | - | - | - | - | - | 213,598.01 | 134,959.56 |
| Software | | 89,247.81 | - | - | 89,247.81 | - | (9,117.98) | - | 373.76 | (8,744.22) | 80,503.58 | |
| **Assets taken on Lease -** | - | - | - | - | - | - | - | - | - | - | - | - |
| - Vehicles & Equipment | 292,860.42 | 28,077.95 | (13,830.85) | (22,700.33) | 284,407.20 | (250,756.60) | (19,998.66) | 14,422.02 | 19,665.35 | (236,667.90) | 47,739.31 | 42,103.82 |
| **Total - This year** | **1,912,391.33** | **537,986.95** | **(162,199.42)** | **(148,234.11)** | **2,139,954.75** | **(1,446,484.10)** | **(179,656.38)** | **21,119.84** | **118,617.54** | **(1,486,383.09)** | **653,571.66** | **465,927.24** |
| Total - Previous year | 1,777,248.52 | 249,553.02 | (55,366.88) | (59,043.53) | 1,912,391.33 | (1,364,618.68) | (182,547.22) | 55,366.63 | 45,335.17 | (1,446,464.10) | 465,927.24 | 412,629.84 |
| | 46.355 | | | | | | | | | | | |

| | rate current moth | | rate current moth | rate current moth | rate last month |
|---|---|---|---|---|---|
| FOREX 4/1/2016 | 50.25 | 50.25 | 50.25 | 48.19019848 | -50.25 |

BIOSEED RESEARCH PHILIPPINES, INC.
GENERAL SANTOS, PHILIPPINES

WORKING NOTES - ACCOUNTS : MAR 2017

| 1. EXCHANGE RATES | DATA FROM ADITI | | |
|---|---|---|---|
| | Current Rate | Average - Daily Conversion Rate in a Month (FTM-PnL) | Average - Monthly Average (YTD - PnL) |
| APRIL | 46.85 | | |
| MAY | 46.75 | | |
| JUNE | 47.02 | | |
| JULY | 47.16 | 47.07 | 46.66 |
| AUGUST | 46.60 | 46.6743 | 46.6662 |
| SEPTEMBER | 48.50 | 47.55 | 46.81 |
| OCTOBER | 48.502 | 48.35 | 47.03 |
| November | 49.68 | 49.24 | 47.31 |
| DECEMBER | 49.73 | 49.81 | 47.59 |
| JANUARY | 49.77 | 49.7384 | 47.8019 |
| FEBRUARY | 50.22 | 49.98 | 48.00 |
| MARCH | 50.25 | 50.29 | 48.19 |
| Current Rate as | 50.2500 | | |

4. DUE TO AFFILIATES -

a) Shriram Bioseed Genetics India Ltd. (36020267)

| DATE | INVOICE NUMBER | DETAILS | FOREX | US$ |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | 896,780.90 |
| 3/29/2016 | 2015-16/21 | HYBRID RICE (PADDY) SEEDS 401 36MT | 46.51 | 56,520.00 |
| 4/20/2016 | 2016-17/22 | HYBRID RICE (PADDY) SEEDS 401 36MT | 46.51 | 28,269.00 |
| 6/30/2016 | | 1ST QTR FOREX ADJ AS PER SBG BOOKS JUN 2016 | | (8.90) |
| 12/19/2016 | | PAYMENT TO SBGI | 49.96 | (815,000.00) |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | 166,561.00 |

b) Shriram Bioseed (THAILAND) Ltd. (36020267)

| DATE | INVOICE NUMBER | DETAILS | FOREX | US$ |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | 187,220.00 |
| 8/30/2016 | | JV 2016-00791, PAYMENT TO SBTL AUG 2016 $185k @ 46.35 PER DOLLAR | 46.35 | (185,000.00) |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | 2,220.00 |

c) DCM Shriram Limited (36020267)

| DATE | INVOICE NUMBER | DETAILS | FOREX | US$ |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | 36,894.04 |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | 36,894.04 |

d) PT Shriram Limited (45210185)

| DATE | INVOICE NUMBER | DETAILS | FOREX | US$ |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | (44,969.00) |
| 5/23/2016 | DR2016-00004/ 90/2016-17 | WIDE WIDE WORLD EXPRESS RQ-00546 FREIGHT COST | 46.75 | (295.33) |
| 7/26/2016 | COLLECTIION 073/2104-15 | 16MT PS 6771 $2.33/KG | 47.11 | 37,280.00 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 3.1MT BP703 $2.33/KG | 47.11 | 7,223.00 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG PS6662 $2.33/KG | 47.11 | 116.50 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG BP701 $2.33/KG | 47.11 | 116.50 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG PS6661 $2.33/KG | 47.11 | 116.50 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG BP505 $2.33/KG | 47.11 | 116.50 |
| | 098/2016-2017 | 6300KG PARENT SEED @ $2 PER KG | 49.765 | (12,600.00) |
| 2/3/2017 | | WIDE WIDE WORLD RQ-00859 FREIGHT COST MATS RQ-00859 | 50.22 | (471.93) |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | (13,367.26) |

e) Bioseed Vietnam Limited (45210185)/(45210182)

| DATE | INVOICE NUMBER | DETAILS | FOREX | US$ |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | (69,739.09) |
| 3/4/2016 | DB2016-0002 | AIR FREIGHT-GENSAN-HANOI | 46.22 | (1,180.80) |
| 5/31/2016 | CM 060868500078 | PAYMENT FOR INVOICE DATED 1/25/2016 | | 125.00 |
| 5/31/2016 | CM 060968500077 | PAYMENT FOR INVOICE DATED 3/1/2016 | | 890.00 |
| 5/31/2016 | CM 060868500077 | PAYMENT FOR INVOICE DATED 3/4/2016 | | 410.00 |
| 5/31/2016 | CM 060768500080 | PAYMENT FOR INVOICE IMPORT 950KG B528 | | 950.00 |
| 5/31/2016 | CM 060768500080 | PAYMENT FOR INVOICE IMPORT 290KG PS B528 | | 290.00 |
| 5/31/2016 | CM 060768500080 | PAYMENT FOR INVOICE IMPORT 100KG PS B21 | | 100.00 |
| 5/31/2016 | CM 060868500080 | PAYMENT FOR INVOICE PS9698(200KG) AND 2500KG PS B21 | | 4,500.00 |
| 5/31/2016 | CM 060968500079 | PAYMENT FOR INVOICE 032/2011-12 PS 6354 | | 6,354.00 |
| 5/31/2016 | CM 060868500079 | PAYMENT FOR INVOICE 033/2011-12 FEMALE B9698 4000KG | | 4,000.00 |
| 5/31/2016 | CM 060868500081 | PAYMENT FOR INVOICE 1000KG PS | | 2,138.00 |
| 5/31/2016 | CM 060868500082 | PAYMENT FOR INVOICE 10700KG PS | | 12,972.00 |
| 5/31/2016 | CM 060868500083 | PAYMENT FOR INVOICE CORN VARIETY SEED | | 12,781.00 |
| 5/31/2016 | CM 060968500078 | PAYMENT FOR INVOICE PARENT SEED | | 12,250.00 |
| 5/31/2016 | CM 060868500084 | PAYMENT FOR INVOICE PARENT SEED | | 4,480.00 |
| 3/4/2016 | 087/2015-16 | 80KG OF 321.G, 320KG OF B265R, 10KG OF B265G | 47.02 | (410.00) |
| 11/25/2016 | RQ-00775 | SOLART SHIPPING PS SEED CHARGE TO VIETNAM RQ-00775 | | (355.67) |
| 11/3/2016 | INV 094/2016-2017 | PARENT CORN SEEDS B528 (4,500KG) | 49.73 | (9,000.00) |
| 12/31/2016 | | FOREX ADJUSTMENT | | (0.50) |
| 2/20/2017 | INV 0100/2016-2017 | B265G (140KG) | 50.22 | (140.00) |
| 3/13/2017 | | DM# DR2016-00064 Freight (140 Kilos B265G & R&D Materials-101.35 kilos) | 50.325 | (847.55) |
| 3/13/2017 | | 2% WITHHOLDING TAX WIDE WIDE WORLD (RQ-00899) | 50.325 | (15.41) |
| 3/21/2017 | | INV# 0101/2016-17 (2640 KG OF PS AND VARIOUS SEEDS) | 50.325 | (3,920.00) |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | (23,369.02) |

| | |
|---|---|
| GRAND TOTAL | 168,938.76 |

**SCHEDULES TO THE ACCOUNTS (Continued)**

11. NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

(i) Accounting convention

The financial statements are prepared under the historical cost convention. These statements are prepared in accordance with the applicable mandatory Accounting Standards.

(ii) Fixed assets and depreciation

a) Owned assets

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and incidental expenses attributable to the acquisition of assets.

The Company follows the straight line method of depreciation on all the assets.

Depreciation is calculated on a pro-rata basis from the date of additions. On assets discarded, sold, etc., during the year, depreciation is provided upto the date of sale/ discard.

b) Assets taken on finance lease

Fixed assets taken on finance lease are stated at the lower of the fair value of the lease assets or the present value of the minimum lease payments at the inception of the lease.

In respect of fixed assets taken on finance lease, when there is reasonable certainty that the Company will obtain ownership by the end of the lease term, depreciation is provided min accordance with the policy followed by the Company for owned assets.

(iii) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of the transactions.

Current assets and liabilities are restated at the rate prevailing at the year end or at the forward rate, where forward cover has been taken and the difference between the year end rate and the exchange rate at the date of the transaction is recognized as income or expense in the profit and loss account.

In respect of transactions, covered by forward cover contracts, the difference between the contract rate and the rate on date of transaction is recognized as income or expense in the profit and loss account over the life of the contract.

**SCHEDULES TO THE ACCOUNTS (Continued)**

11. NOTES TO THE FINANCIAL STATEMENTS (Continued)

(iv) Inventories

Stores and spares are valued at cost. Stock in trade is valued at cost or net realizable value, whichever is lower. The bases of determining cost of different categories of inventory are as follows:

| | |
|---|---|
| Stores, spares and Raw materials | - Weighted average rate. |
| Process stocks and Finished goods | - Direct costs plus appropriate share of overheads. |

(v) Revenue recognition

Revenue in respect of sale of products is recognized at the time of invoicing and its acknowledgment by the customer.

(vi) Retirement and other benefits

The Company has the following retirement schemes.

- Social Security System Fund for all local employees

Contributions to the above funds are charged to revenue each year.

(vii) Research and development

The revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure is included in fixed assets.

(viii) Income-tax

The Income-tax liability is provided in accordance with the provisions of the Internal Revenue Act of the Philippines.

**SCHEDULES TO THE ACCOUNTS (Continued)**

11. NOTES TO THE FINANCIAL STATEMENTS (Continued)

**TRANSLATION OF FINANCIAL STATEMENTS FROM LOCAL CURRENCY (PHILIPPINE PESOS – Php) TO UNITED STATES DOLLARS**

1. Terms Used -

   Average Rate: Mean of the exchange rates in force during a period (In ***BRP***'s case this is a month).

   Weighted Average Rate: Mean of the Average Rates calculated during a period (in ***BRP***'s case this is the mean of Average Rates for 12 months April 01, 2016 to March 31, 2017).

   Closing Rate/ Current Rate: Is the exchange rate at the Balance Sheet date.

2. All foreign currency (US$ or other) transactions are recorded in Php by applying to the foreign currency amount the exchange rate between the Php and the foreign currency at the date of transaction.

3. Profit & Loss Account – All Profit & Loss items are translated to foreign currency at the Weighted Average Rate.

4. Balance Sheet -

   Equity – Reported using the exchange rate(s) at the date when equity is received/ date(s) of transaction(s).

   Amounts in foreign currency and 'Due to Affiliates' and 'Due from Affiliates' at the year end are shown at their original foreign currency values in the current assets and current liabilities.

   All other Balance Sheet items are converted to foreign currency at the Closing Rate.

**GENERAL SANTOS CITY, PHILIPPINES**

**Specified Accounts and Details of Accounts for the year ended March 31, 2017**

**1. Audit Fees debited to Profit & Loss Account**

| | Pesos | US$ |
|---|---|---|
| **Fees for Audit** | 18,500 | 168.16 |

The above audit fees is grouped under other Administrative & Misc. Expense in the P&L

**2. Maximum Short Term Loan outstanding:**

| | Pesos | US$ |
|---|---|---|
| Maximum Amount of Loan Outstanding (April 01, 2016 to March 31, 2017) | 7,593,536 | 151,115.15 |

**3. Month-wise exchange rates for the period from April 01, 2016 to March 31, 2017:**

**Exchange Rates**

| MONTH | Php to US$ 1 |
|---|---|
| APRIL | 46.85 |
| MAY | 46.75 |
| JUNE | 47.02 |
| JULY | 47.16 |
| AUGUST | 46.6 |
| SEPTEMBER | 48.5 |
| OCTOBER | 48.502 |
| NOVEMBER | 49.68 |
| DECEMBER | 49.73 |
| JANUARY | 49.77 |
| FEBRUARY | 50.22 |
| MARCH | 50.25 |
| Weighted Average Rate YTD MAR 2017 | 48.19 |
| End Rate MARCH 31, 2017 | 50.25 |

Certified:

Efren F. Sabado, CPA
Independent Auditor

**Annexure B (Part –I)**

**Format of an unqualified audit opinion on a individual subsidiary of DCM SHRIRAM LIMITED**

**Independent Auditors' Report of Bioseed Research Philippines, Inc. to Deloitte Haskins & Sells, auditors of DCM SHRIRAM LIMITED.**

**Report on the Fit for Consolidation (FFC) Accounts**

We have audited the attached balance sheet of Bioseed Research Philippines, Inc. as at March 31, 2017 and the statement of profit and loss account and the cash flow statement of the Company for the year then ended and other reconciliation and information (all collectively referred to as the Fit for Consolidation (FFC) Accounts). The FFC Accounts shows a net loss of Php 114,230,252.65 total assets of Php 213,840,750.54, and total equity of Php 305,396,898.73

**Management's Responsibility for FFC Accounts**

Management is responsible for the preparation of the FFC Accounts in accordance with the recognition and measurement criteria of Indian GAAP and the disclosure and presentation requirements of the Group as contained in the FFC Accounts and accounting policies disclosed by the Company. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation of the FFC Accounts that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with the recognition and measurement criteria of Indian GAAP and the disclosure and presentation requirements of the Group as contained in the FFC Accounts and accounting policies disclosed by the Company; and making accounting estimates that are reasonable in the circumstances. The FFC Accounts has been prepared solely to enable DCM Shriram Limited to prepare its consolidated financial statements.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the FFC Accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers the internal controls relevant to the Group's preparation and presentation of the 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 Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

These FFC Accounts have been prepared solely to enable DCM SHRIRAM LIMITED to prepare its Consolidated Financial Statements in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2006 and not to report on Bioseed Research Philippines, Inc. as a separate entity. Accordingly, these FFC Accounts are not intended to present a true and fair view of the balance sheet of Bioseed Research Philippines, Inc. as at March 31, 2017 and of the Statement of Profit and loss and cash flows for the year then ended in accordance with generally accepted accounting principles in India.

**Independence Confirmation**

We are independent with respect to the parent company, any subsidiary or affiliated companies following the provisions of International Standards on Auditing/ the Chartered Accountant Act, 1949 (as applicable)

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, these FFC Accounts have been prepared, in all material respects, in conformity with accounting principles of DCM SHRIRAM LIMITED and the instructions received from GM - Accounts and are suitable for inclusion in the Consolidated Financial Statements of DCM SHRIRAM LIMITED prepared in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' as notified under the Companies (Accounting Standards) Rules, 2006.

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

OTHER MATTERS

(i) These FFC account contains/disclose the impact of pending litigations, if any.
(ii) These FFC account did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

Efren F. Sabado, C.P.A
April 17, 2017
General Santos City

BIOSEED RESEARCH PHILIPPINES, INC
GENERAL SANTOS CITY, PHILIPPINES

PROFIT AND LOSS ACCOUNT as of March 31, 2017

| | | Schedule | As of 31-Mar-17 Pesos | As of 31-Mar-16 Pesos |
|---|---|---|---|---|
| Income | Sale of products and other income | 7 | 333,254,750.99 | 157,457,139.95 |
| Expenditure | Manufacturing and other expenses | 8 | 407,858,914.04 | 294,581,589.17 |
| | Profit for the year before depreciation, interest and tax | | (74,604,163.05) | (137,124,449.22) |
| | Interest | 9 | 29,741,176.42 | 22,858,503.85 |
| | Depreciation | 10 | 8,657,676.49 | 8,461,976.37 |
| | Profit for the year before tax | | (113,003,015.96) | (168,444,929.44) |
| | Provision for current tax | | 1,815,693.13 | 588,456.44 |
| | Tax provision for earlier tax | | (588,456.44) | (1,786,543.99) |
| | Profit after tax | | (114,230,252.65) | (167,246,841.89) |
| | Notes to the financial statements | 11 | | |

Per my report attached to the
financial statements
for EF SABADO ACCOUNTING & CONSULTANCY

PARESH K. VERMA
JITENDER K. JAIN
ARNEL D. NAIDAS
ROMUALDO C. DELOS SANTOS
AURELIO B. CLITAR
Directors

DEVADATTA RAVINDRA RAO SIRDESHPANDE
General Manager

EFREN F. SABADO, C.P.A.
Independent Auditor

General Santos City
April 17, 2017

BIOSEED RESEARCH PHILIPPINES, INC.
GENERAL SANTOS CITY, PHILIPPINES

BALANCE SHEET as at March 31, 2017

| | | Schedule | As at 31-Mar-17 Pesos | As at 31-Mar-16 Pesos |
|---|---|---|---|---|
| **Sources of Funds** | **Shareholder's funds** | | | |
| | Share capital | 1 | **78,187,300.00** | 40,687,252.50 |
| | Reserves and surplus | 2 | **(383,584,198.73)** | (269,353,946.08) |
| | | | **(305,396,898.73)** | (228,666,693.58) |
| | **Loan funds** | 3 | | |
| | Secured | | | |
| | Unsecured | | **382,774,015.60** | 366,515,072.35 |
| | | | **382,774,015.60** | 366,515,072.35 |
| | **Total funds employed** | | **77,377,116.87** | 137,848,378.77 |
| **Application of Funds** | **Fixed assets** | 4 | | |
| | Gross Block | | **96,799,426.03** | 82,392,849.95 |
| | Less: Depreciation | | **74,690,750.16** | 67,050,843.15 |
| | Net block | | **22,108,675.87** | 15,342,006.80 |
| | Capital work in progress | | **10,733,300.00** | 6,256,050.21 |
| | | | **32,841,975.87** | 21,598,057.01 |
| | **Current assets, loans and advances** | 5 | | |
| | Inventories | | **77,945,802.16** | 100,585,969.99 |
| | Sundry debtors | | **42,775,164.14** | 114,452,793.91 |
| | Cash and bank balances | | **28,680,023.11** | 34,566,364.35 |
| | Loans and advances | | **31,597,785.26** | 23,054,047.25 |
| | | | **180,998,774.67** | 272,659,175.51 |
| | **Less: Current liabilities and provisions** | 6 | | |
| | Current liabilities | | **136,463,633.67** | 156,408,853.75 |
| | Provisions | | - | - |
| | | | **136,463,633.67** | 156,408,853.75 |
| | Net current assets | | **44,535,141.00** | 116,250,321.76 |
| | **Total funds utilized** | | **77,377,116.87** | 137,848,378.77 |
| | Notes to the financial statements | 11 | | |

Per my report attached to the
financial statements
for **EF SABADO ACCOUNTING & CONSULTANCY**

**EFREN F. SABADO, C.P.A.**
Independent Auditor

General Santos City
April 17, 2017

**PARESH K. VERMA**
**JITENDER K. JAIN**
**ARNEL D. NAIDAS**
**ROMUALDO C. DELOS SANTOS**
**AURELIO B. CLITAR**
**Directors**

**DEVADATTA RAVINDRA RAO SIRDESHPANDE**
General Manager

**BIOSEED RESEARCH PHILIPPINES, INC.**
**GENERAL SANTOS CITY, PHILIPPINES**

**CASH FLOW STATEMENT AS OF March 31, 2017**

| | As of 31-Mar-17 Pesos | As of 31-Mar-16 Pesos |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net profit before tax | **(121,660,692.45)** | (176,906,905.81) |
| Adjustments for: | | |
| Depreciation | **8,657,676.49** | 8,461,976.37 |
| Others: | | |
| Operating profit before working capital changes | **(113,003,015.96)** | (168,444,929.44) |
| Changes in Assets & Liabilities: | | |
| Decrease/ (Increase) in: | | |
| Receivables | **71,677,629.77** | 105,502,430.48 |
| Inventories | **22,640,167.83** | (22,180,790.76) |
| Loans & advances | **(8,543,738.01)** | 6,279,777.68 |
| Increase/ (Decrease) in: | | |
| Trade and other payables | **(19,945,220.08)** | (66,453,942.87) |
| Income and other taxes payable | | |
| **Cash generated from operations** | **(47,174,176.44)** | (145,297,454.91) |
| Income tax | **(1,227,236.69)** | 1,198,087.54 |
| **Net cash from operating activities** | **(48,401,413.13)** | (144,099,367.37) |
| **Cash flow from investing activities** | | |
| (Addition)/Reduction to Fixed Assets & Capital | **26,256,128.64** | 1,728,900.79 |
| **Net cash used in investing activities** | **26,256,128.64** | 1,728,900.79 |
| **Cash flow from financing activities** | | |
| Changes to Loan funds | **16,258,943.25** | 155,882,575.32 |
| **Net cash used in financing activities** | **16,258,943.25** | 155,882,575.32 |
| **Net increase/ (decrease) in cash and cash equivalents** | **(5,886,341.24)** | 13,512,108.73 |
| **Cash and cash equivalents** | | |
| Beginning of the year (April 01, 2016) | **34,566,364.35** | 21,054,255.61 |
| End of 12 months (March 31, 2017) | **28,680,023.11** | 34,566,364.35 |

Per my report attached to the
financial statements
for **EF SABADO ACCOUNTING & CONSULTANCY**

**EFREN F. SABADO, C.P.A.**
Independent Auditor

General Santos City
Independent Auditor

**PARESH K. VERMA**
**JITENDER K. JAIN**
**ARNEL D. NAIDAS**
**ROMUALDO C. DELOS SANTOS**
**AURELIO B. CLITAR**
**Directors**

**DEVADATTA RAVINDRA RAO SIRDESHPANDE**
General Manager

BIOSEED RESEARCH PHILIPPINES, INC
GENERAL SANTOS CITY, PHILIPPINES

**SCHEDULES TO THE ACCOUNTS**

| | | As at 31-Mar-17 Pesos | As at 31-Mar-16 Pesos |
|---|---|---|---|
| 1 SHARE CAPITAL | | | |
| | **AUTHORIZED** | | |
| | 500,000 equity shares of Pesos 100/- each | **50,000,000.00** | 50,000,000.00 |
| | Subscribed and Paid-up 406,873 equity shares of Pesos 100/- each fully paid-up | **40,687,252.50** | 40,687,252.50 |
| | Adjustment (Forex Adjustment for 2016 Share Application Money) | **47.50** | |
| | Total | **40,687,300.00** | 40,687,252.50 |
| | Share Application Money | **37,500,000.00** | |
| | Total | **78,187,300.00** | 40,687,252.50 |
| 2 RESERVES AND SURPLUS | | | |
| | Profit brought forward | **(269,353,946.08)** | (102,107,104.19) |
| | Profit and loss account | **(114,230,252.65)** | (167,246,841.89) |
| | | **(383,584,198.73)** | (269,353,946.08) |
| 3 LOAN FUNDS | | | |
| | **Secured** | - | - |
| | **Unsecured** | | |
| | Finance lease liability | **2,936,551.34** | 4,122,650.28 |
| | Others | **379,837,464.26** | 362,392,422.07 |
| | | **382,774,015.60** | 366,515,072.35 |
| 5 CURRENT ASSETS LOANS AND ADVANCES | | | |
| | **Current Assets** | | |
| | Inventories | | |
| | Finished goods | **14,313,519.84** | 20,366,075.15 |
| | Work-in-process | **46,597,025.05** | 62,705,702.90 |
| | Miscellaneous inventory | **17,035,257.27** | 17,514,191.94 |
| | Provision for decline in inventory value | | |
| | | **77,945,802.16** | 100,585,969.99 |
| | Sundry debtors | | |
| | Debts over six months | | |
| | Secured - considered good | - | - |
| | Unsecured - considered good | **76,153,700.52** | 73,065,869.76 |
| | - considered doubtful | | |
| | Other debts | | |
| | Secured - considered good | | |
| | Unsecured - considered good | | 59,069,629.99 |
| | | **76,153,700.52** | 132,135,499.75 |
| | Less: Provision for doubtful debts | **35,224,534.60** | 23,000,000.00 |
| | | **40,929,165.92** | 109,135,499.75 |
| | Trade Debtors - Affiliates | **1,845,998.22** | 5,317,294.16 |
| | | **42,775,164.14** | 114,452,793.91 |
| | Cash and bank balances | | |
| | With scheduled banks on | | |
| | Current account | **11,336,322.05** | 21,153,983.62 |
| | Deposit account | **17,343,701.06** | 13,412,380.73 |
| | | **28,680,023.11** | 34,566,364.35 |
| | **Loans and Advances** | | |
| | Advances recoverable in cash or kind or for value to be received | **21,569,048.47** | 12,470,475.69 |
| | Deposits | **705,831.54** | 1,104,323.32 |
| | Prepaid expenses | **9,322,905.25** | 9,479,248.24 |
| | | **31,597,785.26** | 23,054,047.25 |

SCHEDULES TO THE ACCOUNTS (Continued)

| | | As at 31-Mar-17 Pesos | As at 31-Mar-16 Pesos |
|---|---|---|---|
| 6 CURRENT LIABILITIES AND PROVISIONS | | | |
| | **Current Liabilities** | | |
| | Sundry creditors | | |
| | Trade creditors - Affiliates | 10,335,170.55 | 51,959,094.93 |
| | Trade creditors - Others | 112,419,789.55 | 80,279,559.91 |
| | Accrued expenses | 11,892,980.44 | 24,359,902.00 |
| | Income tax payable | 1,815,693.13 | (189,703.10) |
| | | 136,463,633.67 | 156,408,853.75 |
| 7 SALE OF PRODUCTS AND OTHER INCOME | | | |
| | **Sale of products** | | |
| | - Local | 332,370,500.39 | 154,259,348.30 |
| | - Exports | | |
| | **Other Income** | | |
| | - Miscellaneous | 884,250.60 | 3,197,791.65 |
| | | 333,254,750.99 | 157,457,139.95 |
| 8 MANUFACTURING AND OTHER EXPENSES | | | |
| | Direct manufacturing expense | 213,329,120.16 | 187,718,797.32 |
| | Research and development expense | 14,765,907.15 | 11,590,824.71 |
| | Shipping & freight | 5,616,554.08 | 4,873,003.93 |
| | Salaries, benefits, bonus, etc. | 36,722,698.71 | 34,739,904.04 |
| | Advertisement and promotion | 17,746,889.74 | 16,847,452.27 |
| | Travel and entertainment | 16,534,129.54 | 23,203,834.01 |
| | Other selling expense | 24,262,497.51 | 18,646,305.51 |
| | Office expense | 428,639.60 | 532,467.84 |
| | Professional expense | 1,040,578.30 | 2,633,433.47 |
| | Other administrative & misce. expense | 54,771,731.42 | 15,976,356.83 |
| | | 385,218,746.21 | 316,762,379.93 |
| | -Increase/+ Decrease In stocks of finished goods and process stocks | | |
| | Closing stocks | 77,945,802.16 | 100,585,969.99 |
| | Opening stocks | 100,585,969.99 | 78,405,179.23 |
| | | 407,858,914.04 | 294,581,589.17 |
| 9 INTEREST | Interest - Others | 29,741,176.42 | 22,858,503.85 |
| | | 29,741,176.42 | 22,858,503.85 |
| | Less: Interest received * | | - |
| | | 29,741,176.42 | 22,858,503.85 |
| 10 DEPRECIATION | | | |
| | Depreciation | 8,657,676.49 | 8,461,976.37 |
| | | 8,657,676.49 | 8,461,976.37 |

**General Santos City, Philippines**
**Chart of Accounts (With Grouping)**
**As of March 31, 2017**

| ACCOUNT HEAD | DEBIT | CREDIT |
|---|---|---|
| **Cash** | | |
| - Cash in Bank | | |
| - BPI C/A Peso | 39,296.30 | |
| - UB-Bank C/A Peso | 821,420.90 | |
| - AUB US$ S/A | 5,832,178.31 | |
| - AUB US$ TD/A | 11,511,522.75 | |
| - AUB C/A Peso | 9,457,634.42 | |
| - BDO C/A Peso | 1,017,970.43 | |
| Total | 28,680,023.11 | - |
| **Accounts Receivable - Trade** | | |
| AR Trade - | | |
| Debts over 6 months - | | |
| Secured - Considered Good | | |
| Unsecured - Considered Good | 76,153,700.52 | |
| - Considered Doubtful | | |
| Other Debts | | |
| Secured - Considered Good | | |
| Unsecured - Considered Good | | |
| Less: Provision for Doubtful Debts | (35,224,534.60) | |
| Total - AR Trade | 40,929,165.92 | - |
| **Accounts Receivable - Others** | | |
| Advances to Suppliers & Others | 2,396,857.40 | |
| Less: Provision for Doubtful Debts | | |
| Advances Seed Growers | 17,790,325.31 | |
| Advances to Employees | 1,381,865.76 | |
| AUB Hold | | |
| Total | 21,569,048.47 | - |
| **Prepaid Expenses** | | |
| Prepaid Expenses | 9,322,905.25 | |
| Total | 9,322,905.25 | - |
| **Others** | | |
| Deposits | 705,831.54 | - |
| Total | 705,831.54 | - |
| **Property and Equipment** | | |
| Bldgs. And Improvement | 18,940,756.83 | |
| Furniture & Fixtures | 3,605,212.36 | |
| Vehicle/ Motorcycles | 8,387,214.85 | |
| Machinery & Equipment | 39,178,444.22 | |
| Office Equipment | 7,911,633.56 | |
| Lease Fixed Assets - Vehicles | 14,291,462.00 | |
| Software | 4,484,702.21 | |
| Capital Work in Progress | 10,733,300.00 | |
| Total | 107,532,726.03 | - |
| | | |
| **Accumulated Depreciation** | | |
| Bldgs. And Improvement | | 10,007,138.57 |
| Furniture & Fixtures | | 3,273,029.51 |
| Vehicle/ Motorcycles | | 6,776,680.31 |
| Machinery & Equipment | | 35,167,987.83 |
| Lease Fixed Assets | | 11,892,561.82 |
| Office Equipment | | 7,133,954.97 |
| Software | | 439,397.15 |
| Total | - | 74,690,750.16 |
| **Notes Payable Short Term** | | |
| Notes Payable - Short Term | | 379,837,464.26 |
| Total | - | 379,837,464.26 |
| **Due from/ to Affiliates** | | |
| Due to Affiliates - SBGI | | 8,369,690.04 |
| Due to Affiliates - DCM SHRIRAM | | 111,555.00 |
| Due to Affiliates - SBTL | | 1,853,925.51 |
| Due from Affiliates - BGV | 1,174,293.30 | |
| Due from Affiliates - PT SHRIRAM | 671,704.92 | |
| Total | 1,845,998.22 | 10,335,170.55 |
| **Accounts Payable** | | |
| Accounts Payable - Trade | | 79,165,662.40 |
| Other Accounts Payable | | 32,119,980.95 |
| Accrued payroll taxes (taxes withheld) | | 869,398.41 |
| SSS/ MED/ EC Contribution | | 264,747.79 |
| Other Accrued Liabilities | | |
| Total | - | 112,419,789.55 |
| **Other Accounts Payable** | | |
| Lease Financing | | 2,936,551.34 |
| Total | - | 2,936,551.34 |
| **Accrued Expenses** | | |
| Accrued Expenses | | 11,892,980.44 |
| Total | - | 11,892,980.44 |
| **Accrued Corporate Income Tax** | | |
| Income Taxes Payable | | 1,815,693.13 |
| Accrued Corporate Income Tax | | |

| | | | |
|---|---|---|---|
| Total | | - | 1,815,693.13 |
| **Stockholder's Equity** | | | |
| Capital Stock | | | 78,187,300.00 |
| Total | | - | 78,187,300.00 |
| **Retained Earnings** | | | |
| Retained Earnings | | | (269,353,946.08) |
| Total | | - | (269,353,946.08) |
| **Inventory Ending** | | | |
| Finished Goods Inventory | | 14,313,519.84 | |
| Work in Progress | | 46,597,025.05 | |
| Miscellaneous Inventory | | 17,035,257.27 | |
| Less: | | | |
| Provision for Decline in Inventory Valuation | | | |
| Total | | 77,945,802.16 | |
| **Sales** | | | |
| Local | | | 332,370,500.39 |
| Exports | | | |
| Sales Return/Adjustment/Discounts | | | |
| Total | | - | 332,370,500.39 |
| **Other Income** | | | |
| Other Revenue | | | 884,250.60 |
| Total | | - | 884,250.60 |
| **Direct Wages & Benefits** | | | |
| Direct Wages | COST | 26,372,799.83 | |
| Total | | 26,372,799.83 | - |
| **Production Overhead** | | | |
| Seed Purchases | COST | 120,259,214.08 | |
| Other Field Expenses | COST | 13,929,735.58 | |
| Growers Compensation | COST | 7,395,877.54 | |
| Seed Field Expenses | COST | 14,179,596.31 | |
| Trucking | COST | 549,693.60 | |
| Harvest Expense | COST | 3,073,286.95 | |
| Bagging Expense | COST | 5,197,103.14 | |
| Other Conditioning Expense | COST | 43,588,203.98 | |
| Salaries & Benefits | OPEX | 2,282,064.88 | |
| Benefits | OPEX | 1,364,504.92 | |
| Advertising Expense | OPEX | - | |
| Auto Expense | OPEX | - | |
| Travel Expense | OPEX | 1,618,428.76 | |
| Telephone | OPEX | 155,927.97 | |
| Utilities | OPEX | - | |
| Office Expenses | OPEX | - | |
| General Expenses | OPEX | 89,482.30 | |
| Insurance | OPEX | (0.00) | |
| Postage | OPEX | 14,266.00 | |
| Rent | OPEX | 616,089.52 | |
| Interest Expense | OPEX | - | |
| Depreciation | OPEX | - | |
| Legal Expense | OPEX | - | |
| Accounting | OPEX | - | |
| Permit & License | OPEX | - | |
| Training Expense | OPEX | 5,000.00 | |
| Total | | 214,318,475.53 | - |
| **Parent Seed Production** | | | |
| Growers Compensation | COST | 94,417.24 | |
| Fertilizer & Chemicals | COST | 94,766.93 | |
| Seed Field Expenses | COST | 116,797.62 | |
| Trucking | COST | 26,576.70 | |
| Harvest Expense | COST | 250,905.07 | |
| Bagging Expense | COST | - | |
| Other Conditioning Expense | COST | 794,678.42 | |
| Direct Wages | COST | 45,635.00 | |
| Salaries & Benefits | OPEX | 1,212,302.79 | |
| Benefits | OPEX | 670,253.49 | |
| Advertising Expense | OPEX | - | |
| Auto Expense | OPEX | - | |
| Travel Expense | OPEX | 586,222.24 | |
| Telephone | OPEX | 57,290.73 | |
| Utilities | OPEX | - | |
| Office Expenses | OPEX | - | |
| General Expenses | OPEX | 17,894.55 | |
| Insurance | OPEX | (0.00) | |
| Postage | OPEX | 5,327.00 | |
| Rent | OPEX | 31,578.96 | |
| Interest Expense | OPEX | - | |
| Depreciation | OPEX | - | |
| Legal Expense | OPEX | - | |
| Accounting | OPEX | - | |
| Permit & License | OPEX | - | |
| Training Expense | OPEX | 11,850.00 | |
| Total | | 4,016,496.74 | - |
| **Research & Development** | | | |
| Other Field Expense | COST | | |
| Growers Compensation | COST | | |

| | | | |
|---|---|---|---|
| Seed Field Expense | COST | | |
| Harvest Expense | COST | | |
| Pollination Expense | COST | | |
| Salaries & Benefits | OPEX | 1,517,275.19 | |
| Benefits | OPEX | 879,992.92 | |
| Advertising Expense | OPEX | - | |
| Auto Expense | OPEX | - | |
| Travel Expense | OPEX | 708,623.89 | |
| Telephone | OPEX | 42,432.25 | |
| Utilities | OPEX | 11,060.99 | |
| Office Expenses | OPEX | (0.00) | |
| General Expenses | OPEX | 10,360,106.51 | |
| Insurance | OPEX | - | |
| Postage | OPEX | 605.00 | |
| Rent | OPEX | 1,245,810.40 | |
| Interest Expense | OPEX | - | |
| Depreciation | OPEX | - | |
| Legal Expense | OPEX | - | |
| Accounting | OPEX | - | |
| Permit & License | OPEX | - | |
| Training Expense | OPEX | - | |
| Total | | 14,765,907.15 | - |
| | | | |
| **Marketing Expenses** | | | |
| Shipping / Freight | COST | 5,616,554.08 | |
| Salaries & Benefits | OPEX | 5,821,343.30 | |
| Benefits | OPEX | 3,626,177.48 | |
| Advertising Expense | OPEX | 17,746,889.74 | |
| Auto Expense | OPEX | - | |
| Travel Expense | OPEX | 7,939,644.18 | |
| Telephone | OPEX | 752,933.13 | |
| Utilities | OPEX | - | |
| Office Expenses | OPEX | 0.00 | |
| General Expenses | OPEX | 22,183,789.60 | |
| Insurance | OPEX | 0.00 | |
| Postage | OPEX | 61,082.57 | |
| Rent | OPEX | 123,900.72 | |
| Interest Expense | OPEX | - | |
| Depreciation | OPEX | - | |
| Legal Expense | OPEX | - | |
| Accounting | OPEX | - | |
| Permit & License | OPEX | 0.00 | |
| Training Expense | OPEX | 1,140,791.49 | |
| Total | | 65,013,106.29 | - |
| | | | |
| **General & Administrative** | | | |
| Salaries & Benefits | OPEX | 17,984,424.41 | |
| Benefits | OPEX | 3,761,627.44 | |
| Advertising Expense | OPEX | - | |
| Auto Expense | OPEX | 264,554.25 | |
| Travel Expense | OPEX | 6,389,834.36 | |
| Telephone | OPEX | 2,173,896.42 | |
| Utilities | OPEX | 1,245,756.40 | |
| Office Expenses | OPEX | 428,638.60 | |
| General Expenses | OPEX | 2,514,550.64 | |
| Insurance | OPEX | 608,896.65 | |
| Postage | OPEX | 88,601.01 | |
| Rent | OPEX | 1,886,096.05 | |
| Interest Expense | OPEX | - | |
| Depreciation | OPEX | - | |
| legal Expense | OPEX | 946,078.30 | |
| Accounting | OPEX | 94,500.00 | |
| Permit & License | OPEX | 733,231.76 | |
| Training Expense | OPEX | 94,274.20 | |
| Total | | 39,214,961.49 | - |
| | | | |
| Exchange Gain/ Loss | | 31,269,917.43 | |
| Bad Debts | | 12,887,249.58 | |
| Interest Expense | | 29,741,176.42 | |
| Total | | 73,898,343.43 | - |
| | | | |
| **Finance & Admin. Expenses - Total** | | | |
| Depreciation Expense | | | |
| Depreciation (CSP) | CSP | 4,052,097.15 | |
| Depreciation(PSP) | PSP | 65,335.50 | |
| Depreciation(ADMIN) | Admin | 2,532,246.10 | |
| Depreciation(MKTG) | Mktg | 1,623,245.73 | |
| Depreciation(R&D) | R&D | 384,752.01 | |
| Total | | 8,657,676.49 | - |
| | | | |
| **Interest Income** | | | |
| Interest Income | | | |
| | | | 588,456.44 |
| Tax Provision for Earlier Tax | | | |
| Corporate Income Tax | | 1,815,693.13 | |
| Total | | 1,815,693.13 | 588,456.44 |
| **GRAND TOTAL** | | 736,614,754.78 | 736,614,754.78 |

# Bioseed Research Philippines, Inc.

## Fixed Asset Schedule

## March 31, 2017

| | GROSS BLOCK | | | | | DEPRECIATION | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Description | Cost as on 1-Apr-16 | Additions | Transfer/ Sale/ Adjustment | Translation adjustment | As at 31-Mar-17 | As on 1-Apr-16 | Additions | Written back/ Adjustment | Translation adjustment account | As on 31-Mar-17 | As at 31-Mar-17 | As at 1-Apr-16 |
| **Owned Assets** | | | | | | | | | | | | |
| Building Improvements | 12,967,124.41 | 5,973,632.42 | - | - | 18,940,756.83 | (7,795,076.40) | (2,212,062.17) | - | - | (10,007,138.57) | 8,933,618.26 | 5,172,048.01 |
| Furniture & Fixtures | 3,444,575.76 | 160,636.60 | - | - | 3,605,212.36 | (3,065,083.43) | (207,946.08) | - | - | (3,273,029.51) | 332,182.85 | 379,492.33 |
| Motor Vehicles | 8,709,985.33 | (0.00) | (322,770) | - | 8,387,214.85 | (5,988,279.70) | (1,111,170.09) | 322,769 | - | (6,776,680.31) | 1,610,534.54 | 2,721,705.63 |
| Plant & Machinery | 36,169,513.62 | 3,008,930.60 | - | - | 39,178,444.22 | (31,917,117.17) | (3,250,870.66) | - | - | (35,167,987.83) | 4,010,456.39 | 4,252,396.45 |
| Office Equipments | 7,526,105.83 | 385,527.73 | - | - | 7,911,633.56 | (6,661,464.05) | (472,490.92) | - | - | (7,133,954.97) | 777,678.59 | 864,641.78 |
| CWIP | 6,256,050.21 | 11,610,000.00 | (7,132,750) | | 10,733,300.00 | | - | - | - | | 10,733,300.00 | 6,256,050.21 |
| Software | | 4,484,702.21 | | | 4,484,702.21 | | (439,397.15) | | | (439,397.15) | 4,045,305.06 | |
| **Assets taken on Lease -** | | - | | | | | - | | | | - | - |
| - Vehicles & Equipment | 13,575,545.00 | 1,410,917.00 | (695,000.00) | - | 14,291,462.00 | (11,623,822.40) | (963,739.42) | 695,000.00 | - | (11,892,561.82) | 2,398,900.18 | 1,951,722.60 |
| **Total - This year** | 88,648,900.16 | 27,034,346.56 | (8,150,521) | - | 107,532,725.03 | (67,050,843.15) | (8,657,676.49) | 1,017,769 | - | (74,690,750.16) | 32,841,975.87 | 21,598,057.01 |
| Total - Previous year | 79,647,392.28 | 11,568,030.10 | (2,566,522.22) | - | 88,648,900.16 | (61,155,387.00) | (8,461,976.37) | 2,566,520.22 | - | (67,050,843.15) | 21,598,057.01 | 18,492,005.28 |

BIOSEED RESEARCH PHILIPPINES, INC.
GENERAL SANTOS, PHILIPPINES

WORKING NOTES - ACCOUNTS : MAR 2017

| 1. EXCHANGE RATES | DATA FROM ADITI | | | |
|---|---|---|---|---|
| | Current Rate | Average - Daily Conversion Rate in a Month (FTM-PnL) | Average - Monthly Average (YTD - PnL) | |
| APRIL | 46 85 | | | |
| MAY | 46.75 | | | |
| JUNE | 47.02 | | | |
| JULY | 47.16 | 47 07 | 46 66 | |
| AUGUST | 45 60 | 46.6743 | 46 6662 | |
| SEPTEMBER | 48.50 | 47 55 | 46 81 | |
| OCTOBER | 48.502 | 48.35 | 47.03 | |
| November | 49 68 | 49.24 | 47.31 | FOR THE MONTH |
| DECEMBER | 49.73 | 49.81 | 47.59 | |
| JANUARY | 49.77 | 49.7384 | 47.8019 | |
| FEBRUARY | 50.22 | 49.98 | 48.00 | |
| MARCH | 50.25 | 50.29 | 48.19 | |
| Current Rate as | 50.2500 | | | |

4. DUE TO AFFILIATES -

a) Shriram Bioseed Genetics India Ltd. (36020267)

| DATE | INVOICE NUMBER | DETAILS | FOREX | Pesos |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | 41,570,288.61 |
| 4/30/2016 | | | | 446,586.90 |
| 5/30/2016 | | | | (92,368.43) |
| 3/29/2016 | 2015-16/21 | HYBRID RICE (PADDY) SEEDS 401 36MT | 46.51 | 2,628,753.85 |
| 4/20/2016 | 2016-17/22 | HYBRID RICE (PADDY) SEEDS 401 36MT | 46.51 | 1,314,795.51 |
| 4/30/2016 | | ADJ TO SBGI VS SAP | | (0 82) |
| 6/30/2016 | | FOREX LOSS | | 285,360.26 |
| 6/30/2016 | | 1ST QTR FOREX ADJ AS PER SBG BOOKS JUN 2016 | | (417 66) |
| 7/31/2016 | | PDEX FOREX JULY 2016 @ 47.11 | | 88,340 49 |
| 7/31/2016 | | FOREX LOSS | | 49,078 05 |
| 8/31/2016 | | FOREX GAIN | | (549,674 16) |
| 9/30/2016 | | FOREX LOSS | | 1,864,965.90 |
| 10/31/2016 | | FOREX LOSS | | 1,963.12 |
| 11/30/2016 | | FOREX LOSS | | 1,152,352 61 |
| 12/31/2016 | | FOREX LOSS | | 8,994 29 |
| 12/31/2016 | | REALIZED FOREX LOSS | | 231,460 00 |
| 12/19/2016 | | PAYMENT TO SBGI | 49.96 | (40,717,400 00) |
| 1/31/2017 | | FOREX LOSS | | 5,829 64 |
| 2/28/2017 | | FOREX LOSS | | 75,785 25 |
| 3/31/2017 | SAMPLE/01 | HYBRID CORN SEED 9909 40 HDPE BAGS(4 PALLETS X 10 BAGS EACH) | 46 1 | 108,796.00 |
| 3/28/2017 | | FOREX LOSS | | 14 790 62 |
| 3/31/2017 | | TO ADJ SBGI 9909 40 HDPE BAGS | | (108 796.00) |
| 3/31/2017 | | FOREX ADJ (GAIN) | | (9,794 00) |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | 8,369,690.04 |

b) Shriram Bioseed (THAILAND) Ltd. (36020267)

| DATE | INVOICE NUMBER | DETAILS | FOREX | Pesos |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | 8,678,583.10 |
| 4/30/2016 | | FOREX LOSS | | 93,235.56 |
| 5/30/2016 | | FOREX GAIN | | (19,283.66) |
| 6/30/2016 | | FOREX LOSS | | 50,549.40 |
| 7/31/2016 | | PDEX FOREX JULY 2016 @ 47.11 | | 16,849 80 |
| 7/31/2016 | | FOREX LOSS | | 9,361 00 |
| 8/30/2016 | | JV 2016-00791, PAYMENT TO SBTL AUG 2016 $185k @ 46.35 PER DOLLAR | 46.35 | (8,574,750 00) |
| 8/30/2016 | | FOREX GAIN | | (151,093.20) |
| 9/30/2016 | | FOREX LOSS | | 4,218.00 |
| 10/31/2016 | | FOREX LOSS | | 4.44 |
| 11/30/2016 | | FOREX LOSS | | 2,606.28 |
| 12/31/2016 | | FOREX LOSS | | 119.88 |
| 1/31/2017 | | FOREX LOSS | | 77.70 |
| 2/28/2017 | | FOREX LOSS | | 1,010 10 |
| 3/28/2017 | | FOREX LOSS | | 66 60 |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | 111,555.00 |

c) DCM Shriram Limited (36020267)

| DATE | INVOICE NUMBER | DETAILS | FOREX | Pesos |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | 1,710,223.22 |
| 4/30/2016 | | FOREX LOSS | | 18,373.23 |
| 5/31/2016 | | FOREX GAIN | | (3,800.09) |
| 6/30/2016 | | FOREX LOSS | | 9,961.39 |
| 7/31/2016 | | PDEX FOREX JULY 2016 @ 47.11 | | 3,320.46 |
| 7/31/2016 | | FOREX LOSS | | 1 844.70 |
| 8/30/2016 | | FOREX GAIN | | (20,660 66) |
| 9/30/2016 | | FOREX LOSS | | 70,098 68 |
| 10/31/2016 | | FOREX LOSS | | 73.79 |
| 11/30/2016 | | FOREX LOSS | | 43,313.60 |
| 12/31/2016 | | FOREX LOSS | | 1,992 28 |
| 1/31/2017 | | FOREX LOSS | | 1,291.29 |
| 2/28/2017 | | FOREX LOSS | | 16,786.79 |
| 3/28/2017 | | FOREX LOSS | | 1,106.82 |

| | | | | |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | 1,853,925.51 |

d) PT Shriram Limited (45210185)

| DATE | INVOICE NUMBER | DETAILS | FOREX | Pesos |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | (2,084,538.00) |
| 4/30/2016 | | FOREX LOSS | | (22,394.56) |
| 5/23/2016 | DR2016-00004/ 90/2016-17 | WIDE WIDE WORLD EXPRESS RQ-00546 FREIGHT COST | | (13,806.73) |
| 5/30/2016 | | FOREX GAIN | 46.75 | 4,631.82 |
| 6/30/2016 | | FOREX LOSS | | (12,221.37) |
| 7/31/2016 | | PDEX FOREX JULY 2016 @ 47.11 | | (4,073.80) |
| 7/31/2016 | | FOREX GAIN | | (14.77) |
| 7/26/2016 | COLLECTIION 073/2104-15 | 16MT PS 6771 $2.33/KG | | 1,756,260.80 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 3.1MT BP703 $2.33/KG | 47.11 | 340,275.53 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG PS6662 $2.33/KG | 47.11 | 5,488.32 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG BP701 $2.33/KG | 47.11 | 5,488.32 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG PS6661 $2.33/KG | 47.11 | 5,488.32 |
| 7/26/2016 | COLLECTIION 073/2104-15 | 50KG BP505 $2.33/KG | 47.11 | 5,488.32 |
| 8/31/2016 | | FOREX LOSS | | 165.39 |
| 9/30/2016 | | FOREX GAIN | | (561.13) |
| 10/31/2016 | | FOREX GAIN | | (0.59) |
| 11/30/2016 | | FOREX GAIN | | (346.72) |
| 12/31/2016 | | FOREX GAIN | | (15.95) |
| 1/31/2017 | | FOREX GAIN | | (10.34) |
| | 098/2016-2017 | 6300KG PARENT SEED @ $2 PER KG | 49.765 | (627,039.00) |
| 2/28/2017 | | FOREX GAIN | | (5,867.38) |
| 2/3/2017 | | WIDE WIDE WORLD RQ-00859 FREIGHT COST MATS RQ-00859 | 50.22 | (23,700.37) |
| 3/28/2017 | | FOREX GAIN | | (401.02) |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | (671,704.92) |

e) Bioseed Vietnam Limited (45210185)/(45210182)

| DATE | INVOICE NUMBER | DETAILS | FOREX | Pesos |
|---|---|---|---|---|
| | | Balance Net (RECEIVABLE) Payable - YTD APRIL 01, 2016 | | (3,232,756.17) |
| 3/4/2016 | DB2016-0002 | AIR FREIGHT-GENSAN-HANOI | 46.22 | (54,576.51) |
| 4/30/2016 | | FOREX GAIN | | (35,476.97) |
| 5/31/2016 | | FOREX LOSS | | 7,304.75 |
| 5/31/2016 | CM 060868500078 | PAYMENT FOR INVOICE DATED 1/25/2016 | | 5,868.75 |
| 5/31/2016 | CM 060968500077 | PAYMENT FOR INVOICE DATED 3/1/2016 | | 41,785.50 |
| 5/31/2016 | CM 060868500077 | PAYMENT FOR INVOICE DATED 3/4/2016 | | 19,249.50 |
| 5/31/2016 | CM 060768500080 | PAYMENT FOR INVOICE IMPORT 950KG B528 | | 44,602.50 |
| 5/31/2016 | CM 060768500080 | PAYMENT FOR INVOICE IMPORT 290KG PS B528 | | 13,615.50 |
| 5/31/2016 | CM 060768500080 | PAYMENT FOR INVOICE IMPORT 100KG PS B21 | | 4,695.00 |
| 5/31/2016 | CM 060868500080 | PAYMENT FOR INVOICE PS9698(200KG) AND 2500KG PS B21 | | 211,275.00 |
| 5/31/2016 | CM 060968500079 | PAYMENT FOR INVOICE 032/2011-12 PS 6354 | | 298,320.30 |
| 5/31/2016 | CM 060868500079 | PAYMENT FOR INVOICE 033/2011-12 FEMALE B9698 4000KG | | 187,800.00 |
| 5/31/2016 | CM 060868500081 | PAYMENT FOR INVOICE 1000KG PS | | 100,379.10 |
| 5/31/2016 | CM 060868500082 | PAYMENT FOR INVOICE 10700KG PS | | 609,035.40 |
| 5/31/2016 | CM 060868500083 | PAYMENT FOR INVOICE CORN VARIETY SEED | | 600,067.95 |
| 5/31/2016 | CM 060968500078 | PAYMENT FOR INVOICE PARENT SEED | | 575,137.50 |
| 5/31/2016 | CM 060868500084 | PAYMENT FOR INVOICE PARENT SEED | | 210,336.00 |
| 3/4/2016 | 087/2015-16 | 80KG OF B21.G, 320KG OF B265R, 10KG OF B265G | 47.02 | (19,278.20) |
| 6/30/2016 | | FOREX LOSS | | (14,791.57) |
| 7/31/2016 | | PDEX FOREX JULY 2016 @ 47.11 | | (818.09) |
| 7/31/2016 | | FOREX LOSS | | (454.49) |
| 8/30/2016 | | FOREX LOSS | | 5,090.34 |
| 9/30/2016 | | FOREX GAIN | | (17,270.79) |
| 10/31/2016 | | FOREX GAIN | | (18.18) |
| 11/25/2016 | RQ-00775 | SOLART SHIPPING PS SEED CHARGE TO VIETNAM RQ-00775 | | (17,294.81) |
| 11/30/2016 | | FOREX GAIN | | (11,275.42) |
| 12/31/2016 | | FOREX GAIN | | (279.63) |
| 11/3/2016 | INV 094/2016-2017 | PARENT CORN SEEDS B528 (4.500KG) | 49.73 | (447,570.00) |
| 12/31/2016 | | FOREX ADJUSTMENT | | (24.87) |
| 1/31/2017 | | FOREX GAIN | | (330.59) |
| 2/28/2017 | | FOREX GAIN | | (8,707.98) |
| 2/20/2017 | INV 0100/2016-2017 | B265G (140KG) | 50.22 | (7,030.80) |
| 3/13/2017 | | DM# DR2016-00064 Freight (140 Kilos B265G & R&D Materials-101.35 kilos) | 50.325 | (42,653.07) |
| 3/13/2017 | | 2% WITHHOLDING TAX WIDE WIDE WORLD (RQ-00899) | 50.325 | (775.51) |
| 3/28/2017 | | FOREX GAIN | | (200.02) |
| 3/21/2017 | | INV# 0101/2016-17 (2640 KG OF PS AND VARIOUS SEEDS) | 50.325 | (197,274.00) |
| 3/31/2017 | | FOREX ADJUSTMENT (LOSS) | | 1.27 |
| | | Balance Net (RECEIVABLE) Payable - YTD MAR 2017 | | (1,174,293.30) |

| | |
|---|---|
| GRAND TOTAL | 8,489,172.33 |

## AUDIT SUMMARY MEMORANDUM

### Audit of the Entity's financial information Summary Memorandum for the year ended March 31, 2017

### Name of the Entity: Bioseed Research Philippines, Inc.

## SIGNIFICANT CHANGES IN THE ENTITY AND ITS ENVIRONMENT

Indicate and/or explain in detail any significant changes that have come to your attention since your last period audited/reviewed, and provide a summary of significant items noted during your discussion with the component auditor engagement team members regarding the susceptibility of the entity's financial statements to material misstatements, including any fraud-related matters and related responses.

| |
|---|
| None |

### (1) SIGNIFICANT RISKS

Each Entity audit engagement team performing an audit engagement will need to perform its own risk assessment to identify significant risks. As part of your risk assessment process, you should consider following applicable risk areas identified by us as under:

| Significant Risk Title | Brief Description of Significant Risk | Planned Response | Risk Addressed (Yes/No)/ Remarks |
|---|---|---|---|
| Management Override of controls on Journal Entries | There are number of journal entries passed as part of the annual closing activities e.g. Significant expense provision, discounts provision, sales return provision, intercompany transactions, provision for doubtful debts etc | A focused substantive procedure is required to be performed over test of journal entries and specifically closing journal entries involving significant revenue booking, entries for intercompany transactions and revenues which are reversed post the balance sheet date. Audit Engagement | Yes |

| | | | |
|---|---|---|---|
| | | teams are to complete and submit the results of their procedures.<br>A focused substantive test of all memorandum entries passed, which affect the profits, should be performed. | |
| Inventory Valuation | Inventory might be overstated due to existence of old, obsolete, damaged, not usable, or is saleable at amounts less than that which it is recorded at | Perform NRV test of inventory considering the inventory aging, expired/near expiry/obsolete inventory or not saleable inventory and quality check test conducted by the management. | Yes |
| Revenue Recognition | There exists a risk that revenue may be overstated on account of premature revenue recognition or non transfer of risk and reward of ownership. | Procedures should be designed to determine the appropriateness of revenue recognition policies and to ascertain that revenue has not been misstated. A proper cut off testing need to be performed by checking the period end sales transactions and period subsequent to closing to ensure that sales are recorded in the correct period.<br>In case of entity where sale returns are high, management estimates relating to provision for sales return to be checked for appropriateness. | Yes |
| Other Income | There exists a risk that revenue may be overstated on account of premature revenue recognition. | Procedures should be designed to determine the appropriateness of revenue recognition policies and to ascertain that revenue has not been misstated. A proper cut off testing need to be performed to check that the revenue (interest) has been recorded in the correct period. | Yes |

Please append any additional significant risk considered by you during the course of your audit.

## (2) SIGNIFICANT MATTERS FOR COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE AND/OR MANAGEMENT OF THE GROUP

Describe any significant matters that need to be communicated to those charged with governance or to Group management.

| |
|---|
| None |

## (3) SUMMARY OF UNCORRECTED MISSTATEMENT AND DISCLOSURE MISSTATEMENT

Mention the item-wise errors identified during audit procedures which are not accounted for on materiality or any other ground along-with reasons thereof:

| |
|---|
| None |

## (4) EVENTS AFTER THE BALANCE SHEET DATE/SUBSEQUENT EVENT REVIEW

Indicate below the results of subsequent events review (up to the date of your audit report) and your conclusion regarding the effects of subsequent events, if any, on the Entity/group Financial Statement:

| |
|---|
| None |

(5) Document your understanding of the components of internal control:

| |
|---|
| the control environment – Management shared its core values and beliefs to the employees through understanding and commitment on the following: Agility & Execution, Openness & Learning, Deliver Value, Respect & Human Dignity, Governance & Responsibility. Each function is controlled by Head of Department (HOD) reporting to the General Manager as defined in the Organizational Structure.<br>the entity's risk assessment process – Management assessed the risk as to collectibility of the overdue of Accounts Receivable and assess the Inventories Germination within the Quality Standard and determined if a potential amount need to be recorded in the |

books.

the information system – Management implemented the SAP as its Accounting System. Access per module is defined according to function, responsibility and accountability.

the control activities – Management implemented a set of procedures and policies on each process. Level of approval is likewise defined.

the monitoring of controls – Control monitoring is evaluated through compliance review by the audit team of Parent Company and independent internal audit by a Third Party which is designated by Management.

**CONTROLS**

**A. Option 1:**

As part of our risk assessment procedures, we ***have also performed*** an evaluation of the design of controls and a determination of whether they have been implemented sufficient to identify and assess risks and to plan and perform further audit procedures.

We have relied on the operating effectiveness of controls in the following areas.

Provision of Bad Debts & Seed Discards
Defined Access on its SAP System
Existing procedures and policies
Defined Core Values and Beliefs
The Organizational Structure
Internal Audit Review

Name of the Audit Firm: Efren F. Sabado, C.P.A

**Efren F. Sabado**

**Partner/Firm Signature**

**Date: April 17, 2017**