BIOSEEDS HOLDINGS PTE. LTD.

(Registration Number: 200823250E)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

BIOSEEDS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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BIOSEEDS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of **BIOSEEDS HOLDINGS PTE. LTD.** (the "company") for the financial year ended 31 March 2017.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Jitender Kumar Jain
RM Muthaiah
Dr. Paresh Verma (Appointed on 15 March 2017)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year was the company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register of directors' shareholding kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50, the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of director and related corporation in which interests are held	At beginning of year	At end of year	At beginning of year	At end of year
	Number of ordinary shares with no par value			
Shriram Bioseed (Thailand) Limited	Direct		Deemed	
Jitender Kumar Jain	1	1	-	-
Bioseed Research Philippines Inc.				
Jitender Kumar Jain	1	1	-	-
DCM Shriram Ltd.				
Jitender Kumar Jain	76,260	76 ,260	-	-
Nisha Jain	-	-	9,200	9,200
Shubham Jain	-	-	4,200	4,200

BIOSEEDS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT – cont'd

5. **SHARE OPTIONS**

There were no share options granted during the financial year to subscribe for unissued shares of the company.

There were no shares issued during the financial year by virtue of the exercise of an option to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

6. **AUDITOR**

Prudential Public Accounting Corporation has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board

Jitender Kumar Jain
Director

RM Muthaiah
Director

Date: 13 April 2017

prudential
public
accounting
corporation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOSEEDS HOLDINGS PTE. LTD.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **BIOSEEDS HOLDINGS PTE. LTD.**, (the "company") which comprises the statement of financial position of the company as at 31 March 2017, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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17 Phillip Street, #05-02 Grand Building, Singapore 048695. Tel: 6438 7777 / 6538 7777 Fax: 6533 3227
Email: office@prudenpractice.com *Co. Reg. No. 200402853W* *Incorporated in Singapore with limited liability*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOSEEDS HOLDINGS PTE. LTD. – cont'd

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud my involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by arrangement.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIOSEEDS HOLDINGS PTE. LTD. – cont'd

Auditor's Responsibilities for the Audit of the Financial Statements – cont'd

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures as going concern, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Prudential PAC

PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

Date: 13 April 2017

PRUDENTIAL PUBLIC ACCOUNTING CORPORATION * PUBLIC ACCOUNTANTS & CHARTERED ACCOUNTANTS

BIOSEEDS HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 US$	2016 US$
ASSETS			
Non-current assets:			
Investment in subsidiaries	(7)	**21,954,428**	11,694,428
Total non-current assets		**21,954,428**	11,694,428
Current assets:			
Loans to related parties	(8)	**7,305,172**	10,510,172
Other receivables	(9)	**2,984,765**	2,503,142
Cash and bank balances	(10)	**44,237**	31,540
Total current assets		**10,334,174**	13,044,854
Total assets		**32,288,602**	24,739,282
EQUITY AND LIABILITIES			
Equity:			
Share capital	(11)	**7,139,455**	7,139,455
Accumulated losses		**(1,504,915)**	(636,651)
Total equity		**5,634,540**	6,502,804
Non-current liability:			
Loan from holding company	(12)	**1,200,000**	1,200,000
Other payables	(14)	**1,000,000**	1,000,000
Total non-current liability		**2,200,000**	2,200,000
Current liabilities:			
Loan from holding company	(12)	**15,220,228**	14,130,228
Loan from a related party	(13)	**5,977,331**	-
Other payables	(14)	**3,256,503**	1,906,250
Total current liabilities		**24,454,062**	16,036,478
Total liabilities		**26,654,062**	18,236,478
Total equity and liabilities		**32,288,602**	24,739,282

The annexed notes form an integral part of these financial statements.

BIOSEEDS HOLDINGS PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 US$	2016 US$
Revenue		-	-
Other income	(15)	**709,250**	942,462
Administrative expense		**(222,862)**	(209,192)
Finance expenses		**(1,354,652)**	(1,082,325)
Loss before income tax		**(868,264)**	(349,055)
Income tax credit	(16)	-	2,928
Loss for the year		**(868,264)**	(346,127)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(868,264)**	(346,127)

The annexed notes form an integral part of these financial statements.

BIOSEEDS HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share Capital	Accumulated Losses	Total
	US$	US$	US$
Balance as at 1 April 2015	1,794,980	(290,524)	1,504,456
Issue of shares (Note 11)	5,344,475	-	5,344,475
Total comprehensive loss for the year	-	(346,127)	(346,127)
Balance as at 31 March 2016	7,139,455	(636,651)	6,502,804
Total comprehensive loss for the year	-	(868,264)	(868,264)
Balance as at 31 March 2017	7,139,455	(1,504,915)	5,634,540

The annexed notes form an integral part of these financial statements.

BIOSEEDS HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	2017 US$	2016 US$
Cash flow from operating activities:		
Loss before income tax	**(868,264)**	(349,055)
Adjustment for:		
Interest income	**(709,250)**	(942,462)
Interest expense	**1,354,652**	1,082,325
Operating loss before working capital changes	**(222,862)**	(209,192)
Other receivables – Long term	**-**	160,794
Other receivable – Short term	**(481,623)**	(54,423)
Other payables – Long term	**-**	-
Other payables – Short term	**1,350,253**	879,495
Cash from operations	**645,768**	776,674
Interest paid	**(1,354,652)**	(1,082,325)
Net cash used in operating activities	**(708,884)**	(305,651)
Cash flow from investing activities:		
Investment in subsidiaries	**(10,260,000)**	(9,601,347)
Loans to related parties – Long Term	**-**	2,000,000
Loans to related parties – Short Term	**3,205,000**	(1,585,500)
Interest received	**709,250**	942,462
Net cash used in investing activities	**(6,345,750)**	(8,244,385)
Cash flow from financing activities:		
Loan from holding company – Long Term	**-**	(700,000)
Loan from holding company – Short Term	**1,090,000**	-
Loan from a related party – Short Term	**5,977,331**	3,925,228
Issue of shares	**-**	5,344,475
Net cash from financing activities	**7,067,331**	8,569,703
Net increase in cash and bank balances	**12,697**	19,667
Cash and bank balances at beginning of year	**31,540**	11,873
Cash and bank balances at end of year	**44,237**	31,540

The annexed notes form an integral part of these financial statements.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

a) Corporate information

Bioseeds Holdings Pte. Ltd. ("the company') (Registration number: 200823250E) is a limited private company, incorporated and domiciled in the Republic of Singapore with its registered office at:

17 Phillip Street #05-01
Grand Building
Singapore 048695

The principal activities of the company are agricultural and animal husbandry service activities except vet activities and coal mining & quarrying.

b) Going concern assumption

The company incurred a net loss of **US$868,264** for the financial year ended 31 March 2017 and, as of that date, the company's total current liabilities exceeded its total current assets by **US$14,119,887**. These factors indicate the existence of an uncertainty which may affect the validity of the going concern assumption on which the accompanying financial statements are prepared.

The immediate holding company has agreed to provide continuing financial support to the company to enable the company to meet its obligations as and when the need arises.

The directors are of the view that it is appropriate to prepare these financial statements on a going concern basis on the assumption that the company will continue to receive continuing financial support from the holding company.

If the company is unable to continue in operational existence for the foreseeable future, the company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently in the statement of financial position.

b) Authorisation of financial statements for issue

The financial statements of the company for the financial year ended 31 March 2017 were authorised for issue by the Board of the Directors on 13 April 2017.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting judgements estimates and key sources of uncertainty used that are significant to the financial statements are areas involving a higher degree of judgement or complexity are disclosed in Note 4, to the financial statements.

2.2 Changes in Accounting Policies

a) Adoption of new and revised FRS and INT FRS

In the current financial period, the company has adopted all the new and revised FRSs issued by the ASC that are relevant to its operations and effective from beginning of period on 1 April 2016. The adoption of these new/revised FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

Reference	Description	Effective for annual periods beginning on or after
FRS 7	Disclosure Initiative (Amendments)	1 January 2017
FRS 12	Recognition of Deferred Tax Assets for Unrealised (Amendment)	1 January 2017
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contract with Customers	1 January 2018
FRS 115	Clarifications to FRS 115: Revenue from Contract with Customers (Amendment)	1 January 2018
FRS 116	Leases	1 January 2019

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2 Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

The directors are of the view that the adoption of the standards and interpretations above have/will have no material impact on the financial statements in the period of initial application, except as described below:

i) FRS 7: Statement of Cash Flows: Disclosure Initiative (Amendments)

The amendments required an entity to provide disclosure that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendment applies prospectively to annual periods beginning on or after 1 January 2017, with earlier application permitted.

Management do not anticipated the application of these amendments will have a material impact on the company's financial statements.

ii) FRS 109: Financial Instruments

FRS 109 introduces new requirement for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the company to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The company will be assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

iii) FRS 115: Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2 Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

iii) FRS 115: Revenue from Contracts with Customers – cont'd

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The company will be assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

iv) FRS 116: Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, INT FRS 104 determining whether an arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

As FRS 109, FRS 115 and FRS 116, when effective, will change the existing accounting standards and guidance applied by the company in accounting for revenue, financial instruments and leases, these standards are expected to be relevant to the company. The company is presently assessing the potential impact of adopting these new standards and interpretations on its financial statements and does not plan to adopt these standards early.

2.3 Functional and foreign currency

a) Functional currency

The management has determined that the currency of the primary economic environment in which the company operates ("the functional currency") to be United States dollar. The financial statements of the company are presented in United States dollar.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.3 Functional and foreign currency – cont'd

b) Functional Currency Transactions

Transactions in foreign currencies have been converted into United States dollars at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities in foreign currencies at the end of reporting period have been converted into United States dollar at the rates of exchange approximating to those ruling at that date. Non-monetary assets and liabilities measured at cost are measured using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities measured at fair value are measured at foreign exchange rates ruling at the dates the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

2.4. Investment in Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company have the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable to obtain the majority of the benefits from the activities and retaining the majority of the residual or ownership rights and risks related to the activities of the subsidiary are taken into account.

Investments in subsidiaries are stated at cost less any impairment losses, if any. On disposal of such investment, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

The consolidated financial statements have not been presented as the company itself is the wholly owned by another corporation, which prepares consolidated financial statements. Such financial statements are available for public use.

2.5. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5. Impairment of Non-Financial Assets – cont'd

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.7. Revenue Recognition

The company recognises revenue when the amount of revenue and related cost can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been meet for each of the company's activities as described below:

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.8. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

a) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8. Income Taxes – cont'd

a) Deferred tax – cont'd

The carrying amount of a deferred tax asset is reviewed at the end of the each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.9. Related Party

A related party is a person or an entity related to the Company and is further defined as follows:

(a) A person or a close member of that person's family is related to the company if that person:

(i) has control or joint control over the company;
(ii) has significant influence over the company; or
(iii) is a member of the key management personnel of the company or of a parent of the company.

(b) An entity is related to a company if the following conditions applies:

(i) the entity and the company are members of the same group which means that each parent, subsidiary and fellow subsidiary is related to the others;
(ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
(vi) the entity is controlled or jointly controlled by a person identified in (a); or
(vii) a person identified in (a) (i) has significant influence over the company or is a member of the key management personnel of the company or of a parent of the company.
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.9. Related Party – cont'd

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;
(b) children of that person's spouse or domestic partner; and
(c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24.

2.10. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.10. Contingent Liabilities and Contingent Assets – cont'd

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.11. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.1. Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

3.2. Financial Assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial instruments. The classification of financial assets depends on the nature and purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Financial assets in this financial statement are classified into loans and receivables. The classification depends on the nature and purpose of financial assets and determined at the time of initial recognition.

a) Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other receivables and cash and bank balances are classified within loans and receivables on the statements of financial position.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Assets – cont'd

a) Loan and receivables – cont'd

i) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

ii) Cash and bank balances

Cash and bank balances comprise cash at bank and on hand, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

b) Loans to related parties

Loans to related parties are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money directly to a related party with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the statement of financial position date.

c) Impairment of loan and receivables

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Assets – cont'd

d) Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institute recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.3. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument. Financial liabilities are recognised on the statement of financial position when and only when, the company becomes a party to the contractual provisions of the financial instruments.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

b) Financial liabilities

Financial liabilities include trade and other payables. Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

d) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical Accounting Judgement

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

i) Determination of functional currency

The company measures foreign currency transactions in the respective functional currencies of the company. In determining the functional currencies of the entities in the company, judgement is required to determine the currency that mainly influences sales prices for goods sold and of the country whose competitive forces and regulations mainly determines the sales prices of its goods sold. The functional currencies of the entities in the company are determined based on management's assessment of the economic in which the entities operate and the entities' process of determining sales prices.

b) Key sources of estimation uncertainties

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

i) Impairment of investment in subsidiaries

The company follows the guidance of FRS 36 in determining the recoverability of its investments in subsidiaries. The company assess whether there are any indications of impairment for investment in subsidiaries at each reporting date. Investment in subsidiaries is linked for impairment when there are indicators that the carrying value may not be recoverable value. This requires assessment as to whether the carrying values of investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determined forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information. The carrying amount of investment in subsidiaries as at 31 March 2017 was **US$ 21,954,428** (2016: US$11,694,428).

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES – cont'd

4.2. Key sources of estimation uncertainty

ii) Impairment of other receivables and loan to related parties

The company assesses at the end of each reporting period whether there is any objective evidence that a financial assets is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

iii) Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and timing of future cash flow are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the financial assets at the end of the reporting period is disclosed in various notes to the financial statements.

iv) Provisions

Provisions are recognized in accordance with the accounting policy in Note 2.10. To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

v) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal council of matters related to litigations.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE

5.1. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The director's meets periodically to analyse, formulate and monitor the risk management of the company and believe that the financial risks associated with these financial instruments are minimal.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

The company adopts a systematic approach towards risk assessment and management. Risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, monitoring and reporting of risk profile.

a) The categories of financial assets and liabilities

The carrying amount of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2017 US$	2016 US$
Financial assets		
Loans and receivables:		
- Loans to related parties	**7,305,172**	10,510,172
- Other receivables	**2,984,765**	2,503,142
- Cash and bank balances	**44,237**	31,540
	10,334,174	13,044,854
Financial liabilities		
At amortised cost:		
- Loan from holding company	**16,420,228**	-
- Loan from a related party	**5,977,331**	15,330,228
- Other payables	**4,256,503**	2,906,250
	26,654,062	18,236,478

Further quantitative disclosures are included throughout these financial statements.

b) Credit Risk

Credit risk refers to risk that counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its loans to related company, other receivables and cash and bank balances.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Financial assets that are neither past due nor impaired

Bank balances that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

c) Interest rate risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company's results in the current reporting year and in future years. Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has loans that bears interest at variable rates and therefore is exposed to cash flow interest rate risk.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for the bank borrowings during the financial period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended 31 March 2017 would decrease/increase by **US$71,932** (2016: US$54,116).

d) Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The company's operations are not exposed to foreign exchange risk as its operations are in United States dollars.

No foreign exchange sensitivity analysis is disclosed as the company's exposure to foreign exchange risk is minimal.

e) Liquidity Risk Management

Liquidity risk refers to risk that the company will not have sufficient funds to pay their debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

e) Liquidity Risk Management – cont'd

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of each reporting period based on undiscounted cash flows of financial instrument based on the earlier of the contractual date or when the company is expected to pay.

			Contractual undiscounted cash flows		
2017	Effective interest rate (%)	Carrying amount	Less than 1 year	Between 1 to 5 years	Total
		US$	US$	US$	US$
Financial liabilities					
Loan from holding company	4.71%-8%	16,420,228	16,437,846	1,296,000	17,733,846
Loan from related party	4.72%	5,977,331	6,259,461	-	6,259,461
Other payables	4.71%-8%	4,256,503	3,517,022	1,080,000	4,597,022
		26,654,062	26,214,329	2,376,000	28,590,329

			Contractual undiscounted cash flows		
2016	Effective interest rate (%)	Carrying amount	Less than 1 year	Between 2 to 5 years	Total
		US$	US$	US$	US$
Financial liabilities					
Loan from holding company	4.71%-8%	15,330,228	14,978,042	1,296,000	16,274,042
Other payables	4.71%-8%	2,906,250	1,906,250	1,000,000	2,906,250
		18,236,478	16,884,292	2,296,000	19,180,292

f) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Management has determined that the carrying amounts of loans to related parties, cash and bank balances, other receivables, loan from holding company and other payables based on their notional amounts; reasonably approximate their fair values because these are mostly short-term in nature.

The company does not anticipate that the carrying amounts recorded at the end of the reporting period would significantly different from the values that would eventually be received or settled.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE – cont'd

5.2. Capital risk management policies and objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables less cash and bank balances. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the financial period.

	2017 US$	2016 US$
Loan from holding company	**16,420,228**	15,330,228
Loan from a related party	**5,977,331**	-
Other payables	**4,256,503**	2,906,250
Cash and bank balances	**(44,237)**	(31,540)
Net Debt	**26,609,825**	18,204,938
Total Equity	**5,634,541**	6,502,804
Total Capital	**32,244,366**	24,707,742
Gearing ratio	**83%**	74%

The capital structure of the company mainly consists of equity and debt and the company's overall strategy remains unchanged since the previous financial period. The company will continue to monitor the economic conditions in which it operates and will make adjustments to its capital structure where necessary.

The company is not subject to externally imposed capital requirements.

6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The company is a subsidiary of Bioseeds Limited, incorporated in Mauritius. The company's ultimate holding company is DCM Shriram Limited, incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Related party relationship

FRS 24 defines a related party as an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family or any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The definition includes Parent Company, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS – cont'd

Some of the company's transactions and arrangements are between members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest free and repayable on demand.

Significant transactions with holding company and related companies are disclosed below:

	2017 US$	2016 US$
Interest expense on loan from holding company	**1,082,218**	1,082,325
Interest expense on loan from related parties	**272,434**	-
Interest income from related parties	**(709,250)**	(942,462)

7. INVESTMENTS IN SUBSIDIARIES

	2017 US$	2016 US$
Unquoted equity shares at cost	**21,954,428**	11,694,428

Name of subsidiaries	Principal activities	Country of Incorporation	Percentage of share holding 2017 %	Percentage of share holding 2016 %	Amount 2017 US$	Amount 2016 US$
Shriram Bioseed (Thailand) Ltd	Reserach of hybrid seeds	Thailand	**99.9**	99.9	**4,470,497**	4,470,497
PT Shriram Seed Indonesia	Trading of hybrid seeds	Indonesia	**95**	95	**5,082,500**	5,082,500
Bioseed Research Philippines Inc.	Research, Production and trading of hybrid seeds	Philippines	**100**	100	**2,002,103**	1,242,103
PT Shriram Genetics	Research, Production and trading of hybrid seeds	Indonesia	**49**	49	**147,000**	147,000
Bioseed Vietnam Limited	Research, Production and trading of hybrid seeds	Vietnam	**100**	100	**10,252,328**	752,328

One set of consolidated financial statements of the company and its subsidiaries are not prepared as the company itself is a wholly owned subsidiary of another corporation, which prepares consolidated financial statements. The registered office of the ultimate holding company, DCM Shriram Limited, which prepares consolidated financial statements, is at 5th floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi, India 110001. These financial statements are available for public use.

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. LOANS TO RELATED PARTIES

	2017 US$	2016 US$
Loan i	**420,500**	420,500
Loan ii	**5,984,672**	6,259,672
Loan iii	-	3,830,000
Loan iv	**900,000**	-
	7,305,172	10,510,172
	7,305,172	10,510,172

Loan i

On 10 August 2012, the loan of US$153,000 was provided to a related party in order for the related party to subscribe 500 ordinary voting shares and 152,500 ordinary non-voting shares in the subsidiary, PT. Shriram Genetics. On 26 May 2011, a loan amount of US$5,000 was provided to the related party. The loan was unsecured, interest free.

On 30 April 2015, a loan of US$262,500 was provided to the related party which is unsecured, bears interest at 10% per annum and for a tenure of 1 year which was later extended to another year.

Loan ii

A loan amount of US$ 5,984,672 (2016: S$6,259,672) provided to a related party is unsecured, bears interest at 8-10% per annum (2016: 8-10% per annum) and for a tenure of 1 year (2016: 1 years).

Loan iii

In the previous financial year, there was a loan amount of US$3,830,000 which was provided to a related party which was unsecured, bear interest at 8% per annum. The loan was fully repaid during the year.

Loan iv

During the year, a loan amount of US$900,000 provided to a related party. This loan is unsecured, bears interest at 10% per annum and is for a tenure of 1 year commencing from 26 May 2016.

Loans to related parties are denominated in United States dollars.

9. OTHER RECEIVABLES

	2017 US$	2016 US$
Interest receivable – related parties. (Note 6)	**2,686,074**	2,204,451
Others – related party (Note 6)	**12,000**	12,000
Amount due from holding company	**286,691**	286,691
	2,984,765	2,503,142

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. OTHER RECEIVABLES – cont'd

Interest receivables from related parties are unsecured, bears interest ranging from 6% - 10% (2016: 6% - 10%) per annum and repayable upon tenures as mentioned in Note 8.

Amount due from holding company is unsecured, interest free and repayable on demand.

10. CASH AND BANK BALANCES

	2017 US$	2016 US$
Cash in hand	-	638
Cash at bank	44,237	30,902
	44,237	31,540

11. SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		US$	US$
Issued and paid up:				
Balance at beginning of year	7,139,520	1,795,045	7,139,455	1,794,980
Issued during the year	-	5,344,475	-	5,344,475
Balance at end of year	7,139,520	7,139,520	7,139,455	7,139,455

The fully paid ordinary shares which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

12. LOAN FROM HOLDING COMPANY

	2017 US$	2016 US$
Holding company (Note 6)	16,420,228	15,330,228

The loan from holding company is repayable as follows:

	2017 US$	2016 US$
a) After 12 months (shown under non-current liabilities)		
Loan i	1,200,000	1,200,000
b) Within 12 months (shown under current liabilities)		
Loan ii	15,220,228	14,130,228
	16,420,228	15,330,228

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. LOAN FROM HOLDING COMPANY – cont'd

Loan i

Loan from holding company, Bioseeds Limited, Mauritius is unsecured, bears interest ranging from 6% - 8% per annum (2016: 6% - 8% per annum) and tenure of 2 years – 5 years (2016: 2 years – 5 years) commencing from the date of remittance. This loan is repayable in June 2018

Loan ii

Loans from its holding company, Bioseeds Limited, Mauritius, amounting to US$ 15,220,228. These loans are unsecured, bears interest at 3.5% per annum with a one year LIBOR set at 0.71% per annum and for a tenure of 360 days commencing from 3 April 2015 and 15 April 2015 for the amounts US$3,905,228 and US$20,000 respectively.

13. LOAN FROM A RELATED PARTY

	2017 US$	2016 US$
Loan i	**5,977,331**	-

During the year, the company obtained loan amounting to US$5,977,331 from a related party. This loan is unsecured, bears interest at 4.72% p.a. and is for a period of 360 days.

14. OTHER PAYABLES

	2017 US$	2016 US$
a) After 12 months (shown under non-current liabilities)		
Accrued interest – Holding company (Note 6)	**1,000,000**	1,000,000
b) Within 12 months (shown under current liabilities)		
Accrued interest – Holding company (Note 6)	**3,208,170**	1,900,850
Accrued expenses	**48,333**	5,400
	3,256,503	1,906,250
	4,256,503	2,906,250

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

14. OTHER PAYABLES – cont'd

The accrued interest for the existing loans are unsecured, bears interest ranging from 6% - 8% (2015: 6%-8%) per annum for a tenure of 2 years – 5 years (2016: 2 years – 5 years) commencing from the date of remittance.

The accrued interest for the loans obtained during the year bears interest at 3.5% per annum with a one year LIBOR set at 0.71% per annum commencing from the date of remittance.

15. OTHER INCOME

	2017 US$	2016 US$
Net interest income	**709,250**	942,462

16. INCOME TAX EXPENSE

a) Major component of income tax expenses

	2017 US$	2016 US$
Over provision of tax in prior year	-	(2,928)

b) Reconciliation between income tax expenses and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	2017 US$	2016 US$
Loss before income tax	**(868,264)**	(349,055)
Income tax expense at statutory rate at 17%	**(147,605)**	(59,339)
Tax effects of:		
- non-allowable tax losses	**147,605**	59,339
	-	-
Over provision of tax in prior year	**-**	(2,928)
Tax expense for the year	**-**	(2,928)

BIOSEEDS HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

16. INCOME TAX EXPENSE – cont'd

c) Movement in income tax payables

The movement in income tax payables are as follows:

	2017 US$	2016 US$
At beginning of year	-	2,928
Over provision in prior years	-	(2,928)
At the end of year	-	-

17. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen are between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding financial year.

BIOSEEDS HOLDINGS PTE. LTD.

DETAILED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

	2017 US$	2016 US$
Revenue	-	-
Other income		
Net interest income	**709,250**	942,462
	709,250	942,462
Less: Expenses		
Administrative expenses		
Auditor's remuneration	**3,210**	3,000
Bank charges	**1,322**	2,178
Research & development expense	**200,000**	160,000
Professional and legal fees	**794**	4,246
Secretarial fees	**2,140**	1,900
Other expenses	**2,181**	-
Withholding tax	**13,215**	37,868
Finance expense		
Interest expense	**1,354,652**	1,082,325
	(1,577,514)	(1,291,517)
Loss before income tax	**(868,264)**	(349,055)

This schedule does not form part of the statutory financial statements.